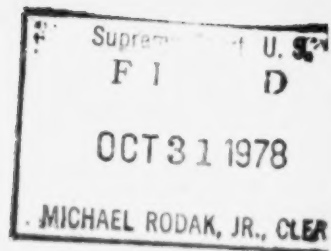


APPENDIX
Volume II
Pages 555a to 765a



IN THE
Supreme Court of the United States
OCTOBER TERM, 1977
No. 77-654

THE GREAT ATLANTIC & PACIFIC TEA
COMPANY, INC.,

Petitioner,

—against—

FEDERAL TRADE COMMISSION,

Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES
COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITION FOR CERTIORARI FILED NOVEMBER 7, 1977
CERTIORARI GRANTED MARCH 20, 1978

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* The deposition testimony of Mr. Malone, who was deceased at the time of the hearing, is Commission Exhibit 262.

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* A large number of the exhibit pages received in evidence during the proceeding below are handwritten notes, memoranda and accounting worksheets and calculations. The legibility of these exhibits is unavoidably impaired. Following the description of each exhibit is a reference to the witness through whom and the transcript page at which the exhibit was introduced.

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Extra copy sent Harry

555a

② Copy to Pentz

③ Copies to HRF

Joe Malone
Orv Goss

Dick Warden
Stub Dugan

December 28, 1964.

Mr. Harry L. Archer, Exec. Vice Pres.,
The Borden Company
350 Madison Avenue
New York, New York 10017.

Dear Harry:

I don't want to go into any detail concerning the recent many discussions and study sessions we have engaged in out here to put together a revised A & P quotation for the Chicago-Calumet Area. Suffice to say, we do have some new figures for you and, though we have not yet concluded that such a change can be made without creating a market upheaval, we know we will have to live with whatever happens - wrestling with the new problems as they develop.

Basically, after having talked with our folks in New York, Houston and Columbus, we have arbitrarily changed our approach of a 1/2¢ per point differential to a 1¢ per point differential between Private Label and Borden Brand for six only basic items.

This restriction to six items is extremely important to this whole consideration. Our records confirm that these six items represent approximately 70% of A & P's total volume. From our standpoint, primarily focusing on our cost problem, the restriction to six items protects plant efficiencies to a considerable extent, as well as distribution material handling. Our whole Woodstock approach was on the basis of palletization, as you know, and involvement of Private Labels for a number of customers on unlimited items, clearly will seriously dilute the efficiencies we anticipated.

We have more or less justified in our own minds this move to 1¢ by this limitation to main items only to be offered under Private Labels. We believe this is important to A & P and other

Mr. Harry L. Archer

December 28, 1964.

- 2 -

big customers, also. Many recent studies of the food chain business emphasize the efficiencies to be achieved through acceptance of palletized deliveries at the store level.

Attached is Sheet #1 headed "The Borden Company, Chicago-Calumet Area, Net Selling Price Quotation to A & P." This listing shows the net cost to A & P of Borden Label and A & P Label for the six major items. All other by-products would remain as they are today.

Again, it must be remembered that these six items represent approximately 70% of A & P's volume.

As with our first quotation, so your information will be complete, we are attaching two additional schedules, which detail our Milk cost and the price adjustment formula we would follow.

Just a couple of additional points, Harry. We have said all of this before many times, but, we do hope A & P will price this private label and the advertised brand the same, certainly to begin with. If private label out-of-store is dropped to reflect this 1¢ per point, this market will rock immediately, we think. We believe such a move on their part would destroy the present price level for advertised brands and would add explosive fuel to a war over the differential question. We know some competitors will be strongly opposed to a difference in price for a private label. One big decision we have to make has to do with how low we will go to force acceptance of a differential. We folded up in Wisconsin because of a "no sales below cost" stipulation in the Wisconsin Law. We have no such "out" in Illinois.

This is not exclusively a matter in our interest. We believe retailers' margins would eventually get caught in whatever upheaval takes place. With such a move on A & P's part - instead of an improvement in their overall margin, one point I am making is that their dairy department spread could collapse. If that should happen, they will not have gained anything by bringing in private label and, certainly, we will have been knocked to our knees.

Again, repeating myself, in Chicago we cannot yet bring into play any important modification of delivery to reduce our costs.

Mr. Harry L. Archer

December 28, 1964.

- 3 -

We are still frozen to a six day delivery, with a base pay and commission rate which results in a driver wage cost of approximately \$7.29 per hour. This prevents, obviously, the kind of distribution economics which, for example, are a part of the Wisconsin pricing structure and we hope Mr. Smith will give this due weight. In both Columbus, Ohio and Houston, Texas (two places he specifically referred to when you and he were discussing our preliminary Chicago quotation) greatly modified delivery systems are in existence.

Of course, Harry, absolutely basic to all this is our dependence on continuing to supply this account. I am extremely conscious of the difficult situation confronting you. We don't want this business to go up for grabs, naturally, and we do hope that this revision will prove satisfactory. We are encouraged to feel it should because of our talks with Ed Brennan and Dave Patterson, particularly. In New York, the differential between private label and advertised brands is 1 1/4¢ per point. In Columbus, it is 3/4¢ per point. Both of these were accepted by Mr. Smith. Actually, our 1¢ is midway between these two. We know this change from 1/2¢ will affect us in Central-Illinois and Iowa too, but we see no other course to follow.

We will be anxious to hear from you. Perhaps all further consideration of this can be held over until your return (Jack told me you would be away for a couple of weeks.) I think that would be good in view of Mr. Smith's position of control.

Many thanks to you.

Cordially,

RRM:mlb
attach.
cc Mr. J. B. Pentz.

Ralph R. Minkler.

Handwritten: K. L. Borden

Handwritten: Confidential

THE BORDEN COMPANY
CENTRAL DIVISION

558a

1021 N. KILBOURN AVENUE
CHICAGO, ILLINOIS 60623



RALPH R. HENKLE
PRESIDENT

December 28, 1964.

Mr. Harry L. Archer, Exec. Vice Pres.,
The Borden Company
350 Madison Avenue
New York, New York 10017.

Dear Harry:

I don't want to go into any detail concerning the recent many discussions and study sessions we have engaged in out here to put together a revised A & P quotation for the Chicago-Columbus area. Suffice to say, we do have some new figures for you and, though we have not yet concluded that such a change can be made without creating a market upheaval, we know we will have to live with whatever happens - wrestling with the new problems as they develop.

Basically, after having talked with our folks in New York, Houston and Columbus, we have arbitrarily changed our approach of a 1/2¢ per point differential to a 1¢ per point differential between Private Label and Borden Brand for six only basic items.

This restriction to six items is extremely important to this whole consideration. Our records confirm that these six items represent approximately 70% of A & P's total volume. From our standpoint, primarily focusing on our cost problem, the restriction to six items protects plant efficiencies to a considerable extent, as well as distribution material handling. Our whole "bedstead" approach was on the basis of palletization, as you know, and involvement of Private Label for a number of customers on unlimited items, clearly will seriously dilute the efficiencies we anticipated.

We have more or less justified in our own minds this move to A & P by this limitation to six items only to be offered under Private Label. We believe this is important to A & P and other

CX

Mr. Harry L. Archer

December 28, 1954.

- 2 -

by customers, also. Many recent studies of the food chain business emphasize the efficiencies to be achieved through acceptance of palletized deliveries at the store level.

Attached is sheet #1 headed "The Jordan Company, Chicago-Gilmer from, Net Selling Price Quotation to A & P." This document shows the net cost to A & P of Jordan label and A & P label for the six index items. All other by-products would remain as they are today.

Again, to note to remember that these six items represent approximately 70% of A & P's volume.

As with our first quotation, so your information will be complete, we are attaching two additional schedules, which detail our mill cost and the price adjustment formula we would follow.

Just a couple of additional points, Harry. We have said all of this before many times, but, we do hope A & P will make this private label and the advertised brand the same, certainly to begin with. If private label cut-off-stores is created to reflect this 1¢ per point, this market will rock immediately, we think. We believe such a move on their part would destroy the present price level for advertised brands and would add explosive fuel to a war over the differential question. We know some competitors will be extremely opposed to a difference in price for a private label. Our big decision we have to make has to do with how low we will go to force acceptance of a differential. We folded up in Wisconsin because of a "no sales below cost" legislation in the Wisconsin law. We have no such "cost" in Illinois.

This is not exclusively a matter in our interest. We believe retailers' margins would eventually get caught in that war upheaval takes place. With such a move on A & P's part - instead of an improvement in their overall margin, one point I am making is that their dairy department spread could collapse. If that should happen, they will not have gained anything by bringing in private label and, certainly, we will have been knocked to our knees.

Again, repeating myself, in Chicago we cannot yet bring into play any important modification of delivery to reduce our costs.

(X7E

December 20, 1964

561a

The Borden CompanyChicago - McCormick AreaNot Cash - Paper Conversion to A & P(Related To the Recent Announced Super Pool Class I Price of \$4.29)

	<u>Borden Total</u>	<u>Pay-to Label</u>
Kemo V D MILK - Gal. Paper	\$.7371	\$.6771
Kemo V D MILK - 1/2 Gal. Paper	.3635	.3635
Kemo V D MILK - Quart Paper	.2001	.1901
2% - 1/2 Gal. Paper	.3453	.3253
Vitamin Fortified Skim - 1/2 Gal.	.3453	.3253
Half and Half - Paper	.2924	.2824

Delivery shall be as follows:

1. One (6) day delivery per week with one (1) delivery per store per day.
2. Door-door deliveries - no in-store service.
3. No special deliveries.
4. No returns, except products inferior in quality and packaging at time of delivery.

CX76

December 23, 1964

FORMULA PRICE FOR RAW MILKCHICAGO-GARUMET AREAPer Hundred Pounds

Announced Class I Super Pool Price - 3.53¢ B.M.	\$ 4.2500
Market Administrator's Fee	.0210
Chickago 1%	.0005
Procurement, Field Service, Association Loss, Minor Zero Premiums, Protect Delivery Premiums, etc.	<u>.2300</u>
Total Cost of 3.53¢ Raw Milk F.C.B. Gar Plant	\$ 4.5645
To 3.45¢ B.M. Finished Product	<u>.0700</u>
Cost of 3.45¢ Finished Product	\$ 4.4905

PAID COST OF MILK

Cost	2.15 pounds x \$4.4905 per cwt. =	\$.0965
Half Cation	4.30 pounds x \$4.4905 per cwt. =	.1921
Cation	0.00 pounds x \$4.4905 per cwt. =	.0000

CX7H

December 29, 1964

CHICAGO-CALUMNET AREAPrice Change Per Unit

(Related to the Present Announced Super Pool Class I Price of \$4.20 per Cwt.)

Increase or Decrease in Price Per Unit				
	<u>Per Cwt.</u>	<u>Per Hundred Lbs.</u>	<u>Per Short Ton</u>	<u>Per Cwt.</u>
.01	.0002	.0004	.0003	.0003
.02	.0004	.0008	.0006	.0006
.03	.0007	.0014	.0010	.0010
.04	.0010	.0019	.0013	.0013
.05	.0013	.0026	.0018	.0018
.06	.0016	.0033	.0022	.0022
.07	.0019	.0040	.0027	.0027
.08	.0022	.0047	.0032	.0032
.09	.0025	.0054	.0037	.0037
.10	.0028	.0061	.0042	.0042
.11	.0031	.0068	.0047	.0047
.12	.0034	.0075	.0052	.0052
.13	.0037	.0082	.0057	.0057
.14	.0040	.0089	.0062	.0062
.15	.0043	.0096	.0067	.0067
.16	.0046	.0103	.0072	.0072
.17	.0049	.0110	.0077	.0077
.18	.0052	.0117	.0082	.0082
.19	.0055	.0124	.0087	.0087
.20	.0058	.0131	.0092	.0092
.21	.0061	.0138	.0097	.0097
.22	.0064	.0145	.0102	.0102
.23	.0067	.0152	.0107	.0107
.24	.0070	.0159	.0112	.0112
.25	.0073	.0166	.0117	.0117

CX7I

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serve the A & P account in the most efficient manner employing modern methods of production, distribution and account billing and record keeping which should accure to the best interest of the A & P account.

The Woodstock plant is the most modern plant in the world. Every facet of automation available is employed in its operation. The distribution process also is directly linked to the automated plant process through a new distribution point constructed at O'Hare which employs the use of palletized loads, which have been found in food store studies to be the fastest means of moving large quantities of products. In the field of account billing and record keeping, I. B. M. computers will quickly furnish the data required in a manner that should keep the retailer's internal cost in this area at a minimum.

While all these elements do not directly show up in retailers cost area they are bound to be a most important fact in the store level cost of receiving deliveries.

No other dealer in the Chicago market is so equipped.

CX7K

566a

Memo

Estimated	Actual
Revenue	Revenue
Expenses	Expenses
Profit	Profit
100000	100000

Raw Products & Revenue and Costs

Labor

Transportation

All other costs

Total

Total Annual Profit - Expected

Memo:

Total New Investment
 Add: as New Investment
 @ 5%
 Cost As Paid

\$ 241500

\$ 241500
 00000

The First National Bank

Branch at New York, N.Y.

Estimated Income Statement for 1910

7/5/10

Schedule No. 1

February 9, 1965

FORMULA PRICE FOR RAW MILK

	<u>Per Hundred Pounds</u>
Producer Price - 3.5% B.F.	\$ 4.2900
Market Administrator's Fee	.0200
Sinkage 1%	.0045
Procurement, Bulk Tank Premiums Association Fees, Inner Zone Premiums, etc.	<u>.2500</u>
Total Cost of 3.5% Raw Milk F.O.B. Our Plant	\$ 4.5645
To 3.4% B.F. Finished Product	<u>.0740</u>
Cost of 3.4% Finished Product	\$ 4.4905

MILK COST BY ITEMS

Quart	2.15 pounds x \$4.4905 per cwt.	\$.0966
Half Gallon	4.30 pounds x \$4.4905 per cwt.	.1931
Gallon	8.60 pounds x \$4.4905 per cwt.	.3862

CX 14A

568a

February 9, 1965

146

Schedule #2CHICAGO-CALUMET AREAPrice Change Per Unit

(Related to the Present Announced Super Pool Class I Price of \$4.29 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

CHICAGO-CALUMET AREAPrice Change Per Unit

(Related to the Present Announced Super Pool Class I Price of \$4.29 per CWT.)

	Increase or Decrease in Price		
	Per Unit		
Increase or Decrease per CWT.	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

Chicago-Calumet Area
Basic Calculation and
Private Label Quotation Schedule for
Quarts, Half Gallons and Gallons

(Items in Plastic Coated Paper)

	Per Quart	Per Half Gal.	Per Gallon
Raw Milk Cost	.0966	.1931	.3862
Container Cost	.0185	.0342	.0684
Production Expense	.0200	.0400	.0800
(A) Route Delivery Expense (Man and Truck only)	.0225	.0450	.0900
(B) Other Distribution Expense	.0125	.0250	.0500
<u>Total Cost</u>	<u>.1701</u>	<u>.3373</u>	<u>.6746</u>

Quotation for A & P Private Label

	.1855	.3430	.6860
<u>Borden gross profit per unit</u>	<u>*.0154</u>	<u>*.0057</u>	<u>*.0114</u>

(A) Route Delivery Expense is based on the following:

- (1) Six (6) day delivery per week with one (1) delivery per store per day
- (2) Store-Door deliveries - no in-store service.
- (3) No special deliveries.
- (4) No returns, except products inferior in quality and packaging at time of delivery.

(B) Includes Truck Loading, Weekly Billing, Waste and General Overhead.

*Composite Borden Gross Profit per Quart per detail below:

	<u>Weekly Quarts</u>	<u>Borden Gross Profit</u>	<u>Total</u>
Quart	40,668 X	.0154	= \$626.28
1/2 Gallon	202,960 X	.00285	= \$578.40
Gallon	57,204 X	.00285	= \$163.03
<u>Total Points</u>	<u>300,832</u>		<u>\$1367.75</u>

Composite Borden Gross Profit Per Quart .0045.

February 9, 1965

Net for A & P Private LabelNet for A & P Private Label(Related To the Present Announced Super Pool Class I Price of \$4.29)

	Net for A & P Borden Label	Net for A & P Private Label
Whole Milk - Gal. Paper	\$.7371	\$.6860
Whole Milk - 1/2 Gal. Paper	.3685	.3430
Whole Milk - Quart Paper	.2000	.1853
2% - 1/2 Gal. Paper	.3453	.3220
Vitamin Fortified Skim - 1/2 Gal.	.3453	.3220
Half and Half - Pint	.2684	.2730

(Above items account for approximately 70% of A & P total sales.)

Chocolate Milk - Quarts	.2437	.2387
Buttermilk - 1/2 Gallons	.3685	.3585
Buttermilk - Quarts	.2000	.1950
Fortified Skim - Quarts	.1917	.1867
Whipping Cream - 1/2 Pints	.3068	.3018

In the above listing we have not included half and half quarts, sour cream, sour half and half, sour cream dips, whole whip and yogurt. Production of these items under private label, in addition to our regular brand, adversely affects production costs substantially because the items are required in limited quantity.

CX 142

A + P RRM 2/9.

Check

A + P PK discussion
started 2/8 at 3 P.M.

Lp WA know.

It came in manner
diff than expected.

Bertels did not call RM

Elmer Schmidt called to
Gordon Tabor when Elmer
was in local A + P
office on other matters

Wants quotes on PL
milk.

Jarr was prepared.

1/2 diff in JAR not to
work with Ch. need more

Start with cost in

- Cost of material
- Cost of labor
- Cost of overhead
- Balance

Compare with cost of
product.

All items - "7"

Return on "By (Product)"

6 main items and
70% of others.

All this is just for
fig. handled for.

May 25, 1965.

THE BORDEN COMPANY

CENTRAL DIVISION.

Price Quotation Data Covering

A & P Private Label Fluid

Milk Products in

A & P Areas No. 2, 3, 4, 4, 5 & 6.

CX 18A

Schedule No. 1-Part 1May 25, 1965.FORMULA PRICE FOR RAW MILKPer Hundred Pounds

Producer Price 3.5% B.F.

\$4.3200

Market Administrator's Fee

.0200

Shrinkage

.0045

Procurement, Bulk Tank Premiums,
Association Fees, etc..2500

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant

\$4.5945

To 3.4% B.F. Finished Product

.0700Cost of 3.4% Finished Product.\$4.5245Milk Cost By Items

Quarts 2.15 pounds X \$4.5245 per cwt. = \$.0973

Half Gallon 4.30 pounds X 4.5245 per cwt. = .1946

Gallon 8.60 pounds X 4.5245 per cwt. = .3891

18B

576a

May 25, 1965The Borden CompanyGeneral Quotation - A & P Private Label(Related to Present Announced Super Pool Class 1 Price of \$4.32)

	Net Price for A & P Private Label
Homo V. D. Milk - Gal. Paper	.6096
Homo V. D. Milk - 1/2 Gal. Paper	.3088
Homo V. D. Milk - Quart Paper	.1636
2% - 1/2 Gal. Paper	.2910
Vitamin Fortified Skim - 1/2 Gal. Paper	.2753
Half & Half - Pint Paper	.2401
Chocolate Milk - Quart Paper	.2156
Buttermilk - 1/2 Gal. Paper	.3084
Buttermilk - Quart Paper	.1636
Fortified Skim - Quart Paper	.1555
Whipping Cream - 1/2 Pint Paper	.2490

Prices apply to stores located in the geographical area subject to the terms of the Chicago Super Pool which includes Chesterton, South Bend, Mishawaka, Elkhart, Goshen, LaPorte, Valparaiso and Walkerton, all in the State of Indiana.

In the above listing we have not included certain items such as half and half quarts, sour cream, sour half and half, sour cream dips, triple whip, yogurt, etc. Production of these items under private label adversely effects production costs substantially because the items are required in limited quantity.

18c

577a

Schedule No. 2 - Part 1.May 25, 1965.FORMULA PRICE FOR RAW MILK

	<u>Per Hundred pounds</u>
Producer Price 3.5% B.F.	\$4.0000
Market Administrator's Fee	.0200
Shrinkage	.0043
Procurement, Bulk Tank Premium, Association Fees, etc.	<u>.2500</u>

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant	\$4.2743
To 3.4% B. F. Finished Product	<u>.0700</u>
<u>Cost of 3.4% Finished Product</u>	<u>\$4.2043</u>

MILK COSTS BY ITEMS

Quarts 2.15 pounds X \$4.2043 per cwt.	= \$.0904
Half Gallon 4.30 pounds X 4.2043 per cwt.	= .1808
Gallon 8.60 pounds X 4.2043 per cwt.	= .3616

The Borden CompanyGeneral Quotation - A.P. Private Label(Relative to Present Announced Superpools Class 1 Price of \$4.00)

	Net Price for A.P. Private Label
Homo V.D. Milk Gals. Paper	.6960
Homo V.D. Milk 1/2 Gal. Paper	.3480
Homo V.D. Milk Quart Paper	.1839
2% - 1/2 Gal. Paper	.3242
Vitamin Fortified Skim - 1/2 Gal. Paper	.3199
Half & Half - Pint Paper	.2702
Chocolate Milk Quart Paper	.2344
Buttermilk 1/2 Gal. Paper	.3544
Buttermilk Quart Paper	.1829
Fortified Skim Quart Paper	.1695
Whipping Cream 1/2 Pint Paper	.2813

Prices apply to stores located in the geographical area subject to the terms of the Rockford Superpools which includes Lockport, Aurora, Joliet, Rockford, Freeport, and Love's Park, all in the State of Illinois.

In the above listing we have not included certain items such as half and half quarts, sour cream, sour half and half, sour cream dips, triple whip, yogourt, etc. Production of these items, under private label adversely affects production costs substantially because the items are in limited quantity.

579_a

Schedule No. 3 - Part 1.

May 25, 1965.

FORMULA PRICE FOR RAW MILK

Per Hundred Pounds

Producer Price 3.5% B.F.	\$3.7800
Market Administrator's Fee	.0200
Shrinkage	.0041
Procurement, Bulk Tank Premiums Association Fees, etc.	<u>.2500</u>

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant

\$4.0541

To 3.4% B.F. Finished Product

.0700

Cost of 3.4% Finished Product

\$3.9841

MILK COSTS BY ITEMS

Quarts 2.15 pounds X \$3.9841 per cwt.	=	\$.0857
Half Gallon 4.30 pounds X 3.9841 per cwt.	=	.1713
Gallon 8.60 pounds X 3.9841 per cwt.	=	.3426

18 F

May 25, 1965

THE LORDEN COMPANYGeneral Quotation -- A & P Private Label(Related to the Present Announced Class I Price Under
Federal Order No. 30 of \$3.78)

	Net Price for A & P Private Label
Homo V.D. Milk - Gal. Paper	\$.6396
Homo V.D. Milk - 1/2 Gal. Paper	.3323
Homo V.D. Milk - Quart Paper	.1732
2% - 1/2 Gal. Paper	.3044
Vitamin Fortified Skim Milk - 1/2 Gal. Paper	.2964
Half & Half - Pint Paper	.2575
Chocolate Milk - Quart Paper	.2222
Buttermilk - 1/2 Gal. Paper	.3371
Buttermilk - Quart Paper	.1762
Fortified Skim - Quart Paper	.1637
Whipping Cream - 1/2 Pint Paper	.2823

Prices apply to stores located in the geographical area subject to the announced Class I milk prices under Federal Order No. 30 and which Class I milk prices are not subject to producer "Superpool" payments. This area includes Woodstock, Belvidere, Pecotonica, Marengo, DeKalb, Rochelle, Dixon, Polo, Mt. Morris, Kankakee, Wilmington, Manteno, Mokena, St. Annes, Gilman, LaSalle, Marseilles, Ottawa, Streator, Pontiac, Princeton, Spring Valley, Sandwich, Plano, Lacon and Minonk, all in the State of Illinois

and Culver, Knox and North Judson in the State of Indiana.

In the above listing, we have not included certain items such as half & half quarts, sour cream, sour half & half, sour cream dips, triple whip, yogurt, etc. Production of these items under private label adversely affects production costs substantially because the items are in limited quantity.

582a

May 25, 1965

Price Change Per Unit

(Related to the Federal Order No. 30 Announced Class I Price
of \$3.78 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

583a

Schedule No. 3 - Part 3
Page 2

May 25, 1965

Price Change Per Unit(Related to the Federal Order No. 30 Announced Class I Price
of \$3.78 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

Schedule No. 4 - Part 1.May 25, 1965.FORMULA PRICE FOR RAW MILKPer Hundred Pounds

Producer Price 3.5% B.F.	\$3.8800
Market Administrator's Fee	.0200
Milk Foundation and City Health Inspection Fee	.0200
Waste	.0040
Premiums	<u>.1000</u>

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant

\$4.0240

To 3.4% B.F. Finished Product

.0720Cost of 3.4% Finished Product\$3.9520MILK COSTS BY ITEMS

Quarts 2.15 pounds X \$3.9520	= .0850
Half Gallon 4.30 pounds X 3.9520	= .1699
Gallon 8.60 pounds X 3.9520	= .3398

19
EXHIBIT
3/13/68
Attorney-Examiner
By
671-0149
FILE NO.
18 K 753

585a

Schedule No. 4 - Part 2

May 25, 1965

The Eorden CompanyGeneral Quotation - A & P Private Label(Related to the Present Announced Class 1 Price
Under Federal Order No. 63 of \$3.88)

	Net Price for A & P Private Label
Homo V. D. Milk - Gal. Paper	.5872
Homo V. D. Milk - 1/2 Gal. Paper	.2938
Homo V. D. Milk - Quart Paper	.1661
2% - 1/2 Gal. Paper	.2646
Vitamin Fortified Skim Milk - 1/2 Gal. Paper	.2531
Half and Half - Pint Paper	.2399
Chocolate Milk - Quart Paper	.1883
Buttermilk - 1/2 Gal. Paper	-
Buttermilk - Quart Paper	.1666
Fortified Skim - Quart Paper	.1523
Whipping Cream - 1/2 Pint Paper	.2671

Prices apply to stores located in the geographical area subject to the announced Class 1 Milk prices under Federal Order No. 63 and which Class 1 milk prices are not subject to producer "Super Pool" payments. This area includes Geneseo, Kewanee, Lombard, Moline, Mt. Carroll, Rock Island, Savannah, Sterling, Toulon and Galesburg, all in the State of Illinois and Clinton and Davenport, in the State of Iowa. In the above listing we have not included certain items such as half and half, quarts, sour cream, sour half and half, sour cream dips, triple whip, yogurt, etc. Production of these items under private label adversely affects production costs substantially because the items are in limited quantity.

Approved ²⁰ 3/13/68
BY Richard A. Palenzy

FILE NO. 671-0149

18 L 756

May 25, 1965

Price Change Per Unit(Related to the Federal Order No. 63 Announced Class I Price
of \$3.33 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

587a

Schedule No. 1 - Part 3
Page 2

May 25, 1965

Price Change Per Unit(Related to the Federal Order No. 63 Announced Class I Price
of \$3.65 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

12N

588a

Schedule No. 5

May 25, 1935

Composite Borden Gross Profit
per Quart

Item	Weekly Quarts	Borden Gross Profit per Quart	Total
Quarts	6,659	\$.0122	\$ 61.64
Half Gallons	47,416	.0006	27.37
Gallon	29,143	(.0011)	(32.12)
Total	83,215	\$.0009	\$ 76.89

Analysis of Borden Gross Profit
per Quart per Above

	per Quart	per Half-Gallon	per Gallon
Raw Milk Cost	\$.0003	\$.0006	\$.0011
Container Cost	.0105	.0342	.0684
Production Expense	.0200	.0400	.0800
(A) Route Delv. Expense (man and truck)	.0106	.0374	.0691
(E) Other Distribution Exp.	.0125	.0250	.0500
Total Cost	\$.1579	\$.3162	\$.6226
Average quotation for A & P Private Label	.1701	.3175	.6161
Borden Gross Profit per Unit	\$.0122	\$.0011	\$ (.0045)

(A) Prices are based upon route delivery expense which considers modified drop delivery service with deliveries on a 3-day-per-week basis. In some areas it is recognized that facilities still require 6-day-per-week service. Deliveries are store door -- no in-store service, no special deliveries, and no returns except for products inferior in quality and packaging at the time of delivery.

May 25, 1965

(D) Includes truck loading, weekly billing, waste and general overhead.

Prices are subject to change in accordance with Schedules 1, 2, 3 and 4 Part 3 "Price Change per Unit" covering changes up or down in the Class 1 Milk Price or the Superpool Price as such applies covering raw product costs. It is also considered that price changes in the cost of containers and labor rate changes will be properly reflected mutually when such occur.

In certain areas the primary basic price has recognized the depressed competitive situation prevailing in such markets. Such situations must eventually be corrected. It is considered that any economic improvement that occurs subsequently will be mutually recognized in accordance with the situations.

May 26, 1965

FIELD MEMO

Gordon Tarr, accompanied by Joe Malone, met with Elmer Schmidt at A & P's Chicago offices at 1:30 P.M. to present price quotations in respect to A & P private label fluid milk products sold in A & P Areas 2, 3, 4, 5 and 6.

Tarr reviewed with Schmidt their prior discussions in regard to the subject, touching on the many complexities of the market areas and the price patterns existing as compared to a solid single market as represented by A & P's Area No. 1. Tarr further referred to the private label differential, also previously discussed, of 1/2 cent on quarts, 1 cent on half gallons and 2 cents on gallons.

Schmidt then expressed his thoughts in regard to a price differential by one dealer which set forth the 1/2 cent on quarts, 1 cent on half gallons and 2 cents on gallons. This price differential structure he posed would then be established by dealer #2 who wanted some of the private label business and then by dealer #3 and so on. This he envisioned would and could cause the Federal Trade Commission real concern.

We then discussed in general terms the aspects of the meeting of competition, the cost proof developed in connection with our Wisconsin private label matter, the inquiries made previously by F. T. C. in regard to private label milk, and our Iowa data in respect thereto and Schmidt appeared rather satisfied with this review.

Schmidt then talked about the New York and Kansas City markets and wrote a figure on his pad which looked like 2.09. He indicated that it appeared difficult to understand that if such a differential was possible in those markets,

why were the economics different in the areas under review which had previously been discussed at the 1/2 - 1 - 2 level.

It was pointed out to Schmidt that the markets he referred to were what could be referred to as single solid markets, each of which had a complement of similar dealers, having similar union contracts; were subject to the same producer prices for raw milk, methods of delivery were similar and competitive pricing practices were generally related to such conditions. This Schmidt was advised represented the Chicago market pattern, in which case we were quick to point out that the private label quotes were solidly in the differential price area he referred to previously. It was strongly made clear that we had made this level of differential available to A & P in our Chicago-Calumet quote, that he was talking about a solid geographical and population market and that our Chicago-Calumet position was entirely consistent with his theories concerning New York and Kansas City.

Time was then taken to point out the extreme distinction between the markets contained in A & P Areas 2, 3, 4, 5 and 6.

- a) That the geographical area was widespread.
- b) That the area was composed of many cities and towns, each of which was a market in itself.
- c) That each market had its own local dealers.
- d) That depending on the area, many different union contracts were in effect which regulated not only hours of work and rates of pay but also some had restrictive delivery conditions.
- e) That some areas were already affected by depressed prices which factor had already been recognized in the prevailing prices in such areas for the Dorden label.
- f) That a greater percentage of smaller volume stores operate in Areas 2, 3, 4, 5 and 6 and that the location of stores and

f) continued -- the distance travelled substantially affect

delivery costs per unit.

g) That in Areas 2, 3, 4, 5 and 6 delivery is effected by almost every kind of distribution facility --

- (1) Company commingled routes.
- (2) Company hourly-rated routes.
- (3) Company trailer drop-off routes.
- (4) Vendors and distributors.
- (5) Over-the-road contract carriers.

h) That/Areas 2, 3, 4, 5 and 6 there were basic differences in raw product costs which materially affected the total cost involved.

i) That all these factors had to be considered in their own economic and competitive lights, that they contributed toward a cost and delivery complex which differed greatly from serving a single market.

Schmidt appeared to be receptive to the factors presented and discussed;

and after some general remarks, Tarr presented Schmidt with a copy of data:

"Price Quotation Data Covering A & P Private Label Fluid Milk Products in A & P Areas No. 2, 3, 4, 5 and 6."

It was indicated that before any review of the material presented took place it might be advisable to look at the various considerations that tended to

dictate the price quotations set forth.

a) A & P sales areas 2, 3, 4, 5 and 6 cover a wide geographical area extending west from South Bend, Indiana (exclusive of the Calumet Area which is a part of A & P Area No. 1) to the Quad-City Area, north to the Wisconsin state line and east to Lake Michigan (exclusive of the Chicago area which is a part of A & P Area No. 1).

b) Analysis of the producer price for raw milk covering sales made in this wide area disclosed four (4) separate important raw milk cost bases as follows:

- (1) The negotiated Chicago Superpool price of \$4.32 per cwt. for Class I milk testing 3.5% butterfat.

- b) (2) The negotiated Rockford Superpool price of \$4.00 per cwt. for Class I milk testing 3.5% butterfat.
- (3) The Chicago Federal Order Class I price as announced by the Market Administrator for Federal Order No. 30 of \$3.78 per cwt. for Class I milk testing 3.5% butterfat (April-1965).
- (4) The Quad-City Federal Order Class I price for Federal Order No. 63 of \$3.68 per cwt. for Class I milk testing 3.5% butterfat (April-1965).
- c) Analysis of the delivery and distribution procedures and methods in the various distinct markets disclosed a wide range of delivery costs (man and truck) due to type of delivery; whether drop, 3-day, 4-day, 5-day, or conventional full service 6-day; delivery through vendors and distributors, delivery effected through over-the-road contract carriers, delivery effected through trailer drop-off runs, base pay plus commissions, commissions entirely as the basis of compensation, hourly-rated drivers as well as differences in so-called fringe benefits representing vacations, pensions, health and welfare, payroll taxes, etc.

In this cost area, a determination was made of each of the respective delivery and distribution costs involved.

- d) In the quotation previously submitted covering Area 1 - Chicago-Galumet Area - costs relative to container costs, production expense and other distribution expense were set forth in detail and these respective costs were included in the quotation herein presented at the same levels as the same cost factors existed in these cost areas.

We then indicated that in attempting to provide a price quotation that would be representative of the different economic factors involved, it was the decision to base such quotations on areas patterned after the raw milk costs, such cost area representing the largest single cost element.

Therefore, four (4) price quotation areas were set forth. In each area a Schedule 1, shown separately as Part 1, Part 2, Part 3 and Part 4 was developed which sets forth the calculation of raw milk costs.

Likewise, in each area a Schedule 2, Part 1, Part 2, Part 3 and Part 4 was developed. These schedules disclose the price quotation for private label products covering eleven (11) items and such schedules set forth by city and town name the areas where such price quotations were applicable.

Schedule 3, Part 1, Part 2, Part 3 and Part 4 is a formula schedule which sets forth the price changes that would occur where raw product costs vary from the per hundred costs as indicated on Schedule No. 1.

A review of the price quotations in each respective area was made with little comment from Schmidt.

It was then pointed out to Schmidt that throughout his discussions with Tarr that it was a requirement that the price quotations submitted be related to costs and Schedule 5 "Borden Gross Profit Per Quart" was developed to disclose costs and resulting gross profit to Borden. Schmidt was advised that it was our considered judgment from his prior discussions with Tarr that he was interested in the overall price quotation covering A & P Areas 2, 3, 4, 5 and 6 as related to the overall total costs involved and a resulting gross profit to Borden and he agreed this approach met his requirement.

Schedule 5 "Borden Gross Profit Per Quart" was reviewed in detail, covering again the various elements of costs, their cause and the differences between markets. Attention was also called to the fact that the price quotations also included recognition of depressed competitive markets where such existed. It was clearly pointed out to Schmidt that based on the price quotations submitted and the various elements shown in detail Borden's gross profit per quart was only 9/10 of a mill or slightly above a break even point.

Schmidt appeared amazed and appeared shocked at this result and, in a general way, inquired "why." It was indicated that this was our election (Lorden's), that we presently enjoyed the business and desired to retain same, did not want outside bids if possible and that it was our responsibility to find the ways and means through greater efficiencies to improve this profit level. He appeared to recognize our philosophy and seemed to recognize also that these quotations represented a bottom line.

Schmidt inquired as to our thoughts about their approach that price quotations be related to costs. It was indicated that, in our opinion, this approach was basically a sound one but one that was not generally practiced in the fluid milk business. In the general discussion of this phase, it was pointed out that historically the fluid milk business was a local small dealer type of business. Each separate market had its local dealers who were subject to local wage rates and producer milk prices. Product items were priced generally not in relation to costs but in relation to other competitors and, in many cases, to a cost appraisal which only recognized out-of-pocket elements of costs.

Schmidt expressed an interesting factor -- he hoped this private label program might be productive of \$500,000 annually which was the gross annual contribution of approximately ten (10) good-sized stores. In this regard, it was stressed that this type of product contribution could only result from the continuance of present out-of-store margins on fluid milk products and that recognition of the competitive situation developed in Wisconsin with the introduction of private label products was important in any valuation made by A & F.

Schmidt made inquiry as to the term of Chicago superpool raw product contracts and how such prices were arrived. The factors loading up to the superpool price determination were reviewed step by step, setting forth the negotiation process involved and indicating that the superpool price would remain fixed during the remainder of the year unless the producer bargaining group requested a renegotiation of the issue. In which case, a 30-day notice was required. It was pointed out to Schmidt that the producer original demand embraced a \$4.77 price, relating same to a \$5.00 per cwt. superpool price which is in effect in the Detroit market. This brought a general discussion of various producer pay prices and a review of Department of Agriculture data published in the Department's "Fluid Milk Report." Schmidt seemed appreciative of this general review of the economics involved, and as such factors related to deficit markets, surplus markets, etc.

Conversation covering grocery retailing and our business occurred particularly as related to automation and improved material handling techniques. We pointed to the study report of the Super Market Institute covering the cost savings to super market operators where it was possible to receive merchandise in pallet loads. In this regard, we made it a point to emphasize the fact that our new Woodstock Plant was one of the few milk plants in the country designed to handle the movement of merchandise by pallets.

Schmidt then requested of Tarr that he develop the overall effect of such prices as related to A & P's volume in Areas 2, 3, 4, 5, 6 and 7. The use of a three (3) week period was mutually agreed to establish a reasonable base for such computation.

Before leaving, Tarr reminded Schmidt that the base Class I price used of \$1.29 per cwt. in the price quotation covering the Chicago-Calumet quote was now \$1.32 per cwt. due to the recently negotiated superpool price and, therefore, this 3-cent per cwt. increase would affect the price quotations in accordance with the formula schedule submitted as a part of the quotation.

Schmidt then invited us for coffee and, upon leaving, he indicated "this has been a very fine meeting" further indicating he hoped we would get together again some time in the future.

Revised
July 26, 1965.

THE BORDEN COMPANY

CENTRAL DIVISION.

Price Quotation Data Covering

A & P Private Label Fluid

Milk Products in

A & P Areas No. 2, 3, 4, 5 & 6.

CX. 21A

Schedule No. 1 - Part 1

Revised
July 26, 1965.

FORMULA PRICE FOR RAW MILK

Per Hundred Pounds

Producer Price 3.5% B.F.	\$4.3200
Market Administrator's Fee	.0200
Shrinkage	.0045
Procurement, Bulk Tank Premiums, Association Fees, etc.	<u>.2500</u>

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant	\$4.5945
To 3.4% B.F. Finished Product	<u>.0700</u>

Cost of 3.4% Finished Product

\$4.5245

MILK COST BY ITEMS

Quarts 2.15 pounds X \$4.5245 per cwt.	= \$.0973
Half Gallons 4.30 pounds X 4.5245 per cwt.	= .1946
Gallons 8.60 pounds X 4.5245 per cwt.	= .3891

Revised July 26, 1965

The Borden CompanyGeneral Quotation - A & P Private Label(Related to Present Announced Superpool Class I Price of \$4.32 Per CWT.)Net Price for A & P Private Label Products
by Type and Method of Delivery

Private Label Products	3-Day		4-Day		5-Day		6-Day	
	Per Wk.	Drop Delv'y.	Per Wk.	Drop Delv'y.	Per Wk.	Drop Delv'y.	Per Wk.	Drop Delv'y.
Homo V.D. Milk - Gal. Paper	\$.6090		\$.6440		\$.6540		\$.6640	
Homo V.D. Milk - 1/2 Gal. Paper	.3080		.3255		.3305		.3355	
Homo V.D. Milk - Quart Paper	.1630		.1700		.1730		.1760	
2% - 1/2 Gal. Paper	.2800		.2935		.2985		.3035	
Vitamin Fortified Skim - 1/2 Gal. Paper	.2600		.2685		.2735		.2785	
Vitamin Fortified Skim - Quart Paper	.1555		.1648		.1678		.1708	
Half & Half - Pint Paper	.2390		.2420		.2450		.2480	
Chocolate Milk - Quart Paper	.2156		.2456		.2486		.2516	
Buttermilk - 1/2 Gal. Paper	.3084		.3289		.3339		.3389	
Buttermilk - Quart Paper	.1550		.1620		.1650		.1680	
Whipping Cream - 1/2 Pint Paper	.2490		.2660		.2690		.2720	

Prices apply to stores located in the geographical area subject to the terms of the Chicago Super Pool which are as follows:

Stores Receiving 3-Day Per Week Delivery:

South Bend (6 stores), Mishawaka,
Elkhart, Goshen, La Porte, Valpariso,
Walkerton and Michigan City.

Stores Receiving 6-Day Per Week Delivery:

Chesterton, South Bend (1 store).

Stores Receiving 4-Day and 5-Day Per Week Delivery:

None

Drop Delivery recognizes store door deliveries - no in-store service; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

Conventional Delivery recognizes full service delivery; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

Revised July 26, 1965

Price Change Per Unit(Related to the Present Announced Chicago Super Pool Class I Price
of \$4.32 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

Schedule No. 1 - Part 3
Page 2

Revised July 26, 1965

Price Change Per Unit

(Related to the Present Announced Chicago Super Pool Class I Price
of \$4.32 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

Schedule No. 2 - Part 1.

Revised
July 26, 1965.

FORMULA PRICE FOR RAW MILK

	<u>Per Hundred Pounds</u>
Producer Price 3.5% B.F.	\$4.0000
Market Administrator's Fee	.0200
Shrinkage	.0043
Procurement, Bulk Tank Premium, Association Fees, etc.	<u>.2500</u>
Total Cost of 3.5% Raw Milk	
F.O.B. Our Plant	\$4.2743
To 3.4% B.F. Finished Product	<u>.0700</u>
<u>Cost of 3.4% Finished Product</u>	<u>\$4.2043</u>

MILK COSTS BY ITEMS

Quarts 2.15 pounds X \$4.2043 per cwt.	= \$.0904
Half Gallons 4.30 pounds X 4.2043 per cwt.	= .1808
Gallons 8.60 pounds X 4.2043 per cwt.	= .3616

Revised July 26, 1965

The Borden CompanyGeneral Quotation - A & P Private Label(Related to Present Announced Superpool Class I Price of \$4.00 Per CWT.)Net Price for A & P Private Label Products
by Type and Method of Delivery

Private Label Products	3-Day	4-Day	5-Day	6-Day
	Per Wk. Drop Delv'y.	Per Wk. Drop Delv'y.	Per Wk. Drop Delv'y.	Per Wk. Convent'l. Delivery
Homo V.D. Milk - Gal. Paper	\$.6410	\$.6760	\$.6860	\$.6960
Homo V.D. Milk - 1/2 Gal. Paper	.3205	.3380	.3430	.3480
Homo V.D. Milk - Quart Paper	.1680	.1750	.1780	.1810
2% - 1/2 Gal. Paper	.2995	.3130	.3180	.3230
Vitamin Fortified Skim - 1/2 Gal. Paper	.2895	.2980	.3030	.3080
Vitamin Fortified Skim - Quart Paper	.1542	.1635	.1665	.1695
Half & Half - Pint Paper	.2480	.2510	.2540	.2570
Chocolate Milk - Quart Paper	.1970	.2270	.2300	.2330
Buttermilk - 1/2 Gal. Paper	.3239	.3444	.3494	.3544
Buttermilk - Quart Paper	.1680	.1750	.1780	.1810
Whipping Cream - 1/2 Pint Paper	.2583	.2753	.2783	.2813

Prices apply to stores located in the geographical area subject to the terms of the Rockford Superpool which are as follows:

Stores Receiving 6-Day Per Week Delivery:

Lockport, Aurora (2 stores), Joliet
(6 stores), Rockford (5 stores), Freeport
and Loves Park.

Stores Receiving 3-Day - 4-Day - or 5-Day Per Week Delivery:

None

Revised July 26, 1965Page 2

Drop Delivery recognizes store door deliveries - no in-store service; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

Conventional Delivery recognizes full service delivery; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

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Schedule No. 2 - Part 3Revised July 26, 1965Price Change Per Unit(Related to the Present Announced Rockford Super Pool Class I Price
of \$4.00 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

Revised July 26, 1965

Price Change Per Unit(Related to the Present Announced Rockford Super Pool Class I Price
of \$4.00 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

Schedule No. 3 - Part 1.

Revised
July 26, 1965.FORMULA PRICE FOR RAW MILKPer Hundred Pounds

Producer Price 3.5% B.F.

\$3.7800

Market Administrator's Fee

.0200

Shrinkage

.0041

Procurement, Bulk Tank Premiums,
Association Fees, etc..2500

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant

. \$4.0541

To 3.4% B.F. Finished Product

.0700Cost of 3.4% Finished Product\$3.9841MILK COSTS BY ITEMS

Quarts 2.15 pounds X \$3.9841 per cwt.

= \$.0857

Half Gallons 4.30 pounds X 3.9841 per cwt.

= .1713

Gallons 8.60 pounds X 3.9841 per cwt.

= .3426

Revised July 26, 1965

The Borden CompanyGeneral Quotation - A & P Private Label(Related to the Announced Class I Price Under Federal Order
No. 30 of \$3.78 Per CWT.)Net Price for A & P Private Label Products
by Type and Method of Delivery

Private Label Products	3-Day	4-Day	5-Day	6-Day
	Per Wk. Drop Delv'y.	Per Wk. Drop Delv'y.	Per Wk. Drop Delv'y.	Per Wk. Drop Delivery
Homo V.D. Milk - Gal. Paper	\$.6216	\$.6566	\$.6666	\$.6766
Homo V.D. Milk - 1/2 Gal. Paper	.3108	.3283	.3333	.3383
Homo V.D. Milk - Quart Paper	.1644	.1714	.1744	.1774
2% - 1/2 Gal. Paper	.2898	.3033	.3083	.3133
Vitamin Fortified Skim - 1/2 Gal. Paper	.2798	.2883	.2933	.2983
Vitamin Fortified Skim - Quart Paper	.1474	.1567	.1597	.1627
Half & Half - Pint Paper	.2414	.2444	.2474	.2504
Chocolate Milk - Quart Paper	.1934	.2234	.2264	.2294
Buttermilk - 1/2 Gal. Paper	.3078	.3283	.3333	.3383
Buttermilk - Quart Paper	.1644	.1714	.1744	.1774
Whipping Cream - 1/2 Pint Paper	.2484	.2654	.2684	.2714

Prices apply to stores located in the geographical area subject to the announced Class I milk prices under Federal Order No. 30, (which Class I milk prices are not subject to producer "superpool" payments) which stores are as follows:

Stores Receiving 3-Day Per Week Delivery:

Manteno	Momence	St. Annes	Gilman	La Salle
Marseilles	Ottawa	Streator	Pontiac	Princeton
Spring Valley	Sandwich	Plano	Lacon	Minonk
Culver	Knox	North Judson	Galena	Warren

Stores Receiving 4-Day Per Week Delivery:

None

Stores Receiving 5-Day Per Week Delivery:

Belvidere	Marengo	DeKalb
Rochelle	Polo	Mt. Morris
Dixon		

Stores Receiving 6-Day Per Week Delivery:

Woodstock	McHenry
Fox Lake	Antioch
Kankakee (2 stores)	Wauconda
Pecatonica	Crystal Lake
Wilmington	Zion

Drep Delivery recognizes store door deliveries - no in-store service; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

Conventional Delivery recognizes full service delivery; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

Revised July 26, 1965

Price Charge Per Unit

(Related to the Federal Order No. 30 Announced Class I Price of \$3.78 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit	
	Per Quart.	Per Half Gallon Gallon
.01	.0002	.0004
.02	.0004	.0008
.03	.0007	.0014
.04	.0009	.0018
.05	.0010	.0020
.06	.0013	.0026
.07	.0015	.0030
.08	.0017	.0034
.09	.0019	.0038
.10	.0021	.0042
.11	.0024	.0048
.12	.0026	.0052
.13	.0028	.0056
.14	.0030	.0060
.15	.0033	.0066
.16	.0035	.0070
.17	.0037	.0074
.18	.0039	.0078
.19	.0041	.0082
.20	.0043	.0086
.21	.0045	.0090
.22	.0048	.0096
.23	.0050	.0100
.24	.0052	.0104
.25	.0054	.0108
.26	.0056	.0112
.27	.0059	.0118
.28	.0061	.0122
.29	.0063	.0126
.30	.0065	.0130
.31	.0067	.0134
.32	.0069	.0138

Revised July 26, 1965

Price Change Per Unit

(Related to the Federal Order No. 30 Announced Class I Price
of \$3.78 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

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Revised
July 26, 1965.

FORMULA PRICE FOR RAW MILK

	<u>Per Hundred pounds</u>
Producer Price 3.5% B.F.	\$3.8800
Market Administrator's Fee	.0200
Milk Foundation and City Health Inspection Fee	.0200
Waste	.0040
Premiums	<u>.1000</u>
Total Cost of 3.5% Raw Milk	
F.O.B. Our Plant	\$4.0240
To 3.4% B.F. Finished Product	<u>.0720</u>
<u>Cost of 3.4% Finished Product</u>	<u>\$3.9520</u>

MILK COSTS BY ITEMS

Quarts 2.15 pounds X \$3.9520	= \$.0850
Half Gallons 4.30 pounds X 3.9520	= .1699
Gallons 8.60 pounds X 3.9520	= .3398

Revised July 26, 1965

The Borden CompanyGeneral Quotation - A & P Private Label

Related to the Announced Class I Price Under Federal Order No. 63 of \$3.88 per cwt

Net Price for A & P Private Label Product:
by Type and Method of Delivery

	3-Day Per Wk. Drop Delv'y.	4-Day Per Wk. Drop Delv'y.	5-Day Per Wk. Drop Delv'y.	6-Day Per Wk. Convent'l. Delivery
<u>Private Label Products</u>				
Bono V. D. Milk - Gal. Paper	.5872	.6222	.6322	.6422
Bono V. D. Milk - 1/2 Gal. Paper	.2938	.3113	.3163	.3213
Bono V. D. Milk - Quart Paper	.1661	.1731	.1761	.1791
2% - 1/2 Gal. Paper	.2646	.2781	.2831	.2881
Vitamin Fortified Skim Milk-1/2 Gal. Paper				
Vitamin Fortified Skim " Qt.-Paper	.2531	.2616	.2666	.2716
Half and Half - Pint Paper	.1523	.1616	.1646	.1676
Chocolate Milk - Quart Paper	.2399	.2429	.2459	.2489
Buttermilk - Quart Paper	.1883	.2183	.2213	.2243
Whipping Cream - 1/2 Pint Paper	.1666	.1736	.1766	.1796
	.2671	.2841	.2871	.2901

Prices apply to stores in the geographical area subject to the announced Class I Milk prices under Federal Order No. 63, (which Class I Milk prices are not subject to producer "Super Pool" payments) which stores are as follows:

Stores Receiving 3 Day per Week Delivery

Geneseo Kewanee Lanark Moline (2 Stores)
Mt. Carroll Rock Island Savannah Sterling
Toulon Galesburg (2 Stores) Clinton Davenport (2 Stores)

Stores Receiving 4 Day, 5 Day or 6 Day Delivery

None.

Drop Delivery recognizes store-door deliveries - no in-store service; no special deliveries and no returns except products inferior in quality and packaging at the time of delivery.

Conventional Delivery recognizes full service delivery; no special deliveries and no returns, except products inferior in quality and packaging at time of delivery.

Schedule No. 4 - Part 3Revised July 26, 1965Price Change Per Unit

(Related to the Federal Order No. 63 Announced Class I Price
of \$3.88 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

Revised July 26, 1965

Price Change Per Unit

(Related to the Federal Order No. 63 Announced Class I Price
of \$3.88 per CWT.)

Increase or
Decrease Per CWT.

	Increase or Decrease in Price		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

Revised July 26, 1965

Composite Borden Gross Profit

Per Quart - Per Schedules 1, 2, 3 & 4 - Part 2

Item	Total Weekly Sales Units	Weekly Sales Units Converted to Quarts	Borden Gross Profit Per Quart	Total
Quarts - Paper	7,520	7,520	\$.0111	\$ 83.47
Half Gallons "	29,314	58,628	.0020	117.26
Gallons "	8,243	32,972	(.0003)	(9.89)
Total	-	99,120	.0019	\$190.84

Analysis of Borden Gross Profit
Per Quart Set Forth Above

Item	Per Quart	Per Half Gallon	Per Gallon
Raw Milk Cost	\$.0888	\$.1793	\$.3564
Container Cost	.0185	.0342	.0684
Production Expense	.0200	.0400	.0800
Route Del'y. " (A) (man & truck)	.0186	.0382	.0712
Other Distribution Exp. (B)	.0125	.0250	.0500
Total Cost	\$.1584	\$.3167	\$.6260
Average Quotation For A & P Private Label (C)	\$.1695	\$.3206	\$.6247

Borden Gross Profit Per Unit	\$.0111	\$.0039	\$ (.0013)
Borden Gross Profit Per Quart	\$.0111	\$.0020	\$ (.0003)

(A) Represents average weighted cost based upon the type of service currently required.

(B) Includes truck loading, weekly billing, waste and general overhead.
(C) Prices are subject to change in accordance with Schedules 1, 2, 3 and 4, Part 3 "Price Changes Per Unit" covering changes up or down in the Class I Milk Price or the Super Pool Price as such applies covering raw product costs.

Any changes in our costs, up or down, in labor, containers, fuel, power, etc. are not covered in our pricing formula and will require consideration as they occur.

77
Re: Chicago Quotation on A & P Private Label
Milk in the Chicago-Calumet Area

Reference has been made to the fact that the container and departmental costs submitted and shown in detail under date of February 9, 1965, on schedule "Basic Calculation and Private Label Quotation Schedule for Quarts, Half Gallons and Gallons" covering A & P private label milk are substantially above similar costs in Metropolitan New York market.

The costs elements which were shown on such schedule embraced the following:

	Per Quart Container	Per Half Gallon Container	Per Gallon Container
Container Costs	\$.0185	\$.0342	\$.0684
Production Expense	.0200	.0400	.0800
Route Delivery Expense	.0225	.0450	.0900
Other Distribution Expense	.0125	.0250	.0500
Total Container and Departmental Costs	\$.0735	\$.1442	\$.2884

This cost data was based on the elements of cost related to the production and delivery of fluid milk products in the Metropolitan Chicago area.

In this market area, the above costs involved other than container cost, are principally salaries and wages, which element of cost is subject to the provisions of local union labor contracts negotiated on an industry-wide basis with the Milk Wagon Drivers Union, Local 753 and Dairy Employees Union, Local 754. These contract agreements not only provide for rates of pay and commissions but also cover hours and conditions of work.

Examination of similar costs covering the Metropolitan New York operation which were submitted in connection with the New York quotation

covering A & P private label milk in August, 1964 disclosed the following:

	Per Quart Container	Per Half Gallon Container	Per Gallon Container
Container Cost	\$.0200	\$.0330	\$.0650
Processing Charge	.0200	.0400	.0800
Delivery Charge	.0200	.0400	.0700
<u>Total</u>	<u>\$.0600</u>	<u>\$.1130</u>	<u>\$.2150</u>

Comparing the above costs with the Chicago data discloses that the

Chicago container and departmental costs exceed the New York cost data as follows:

	<u>Increased or (Decreased) Unit Cost</u>		
	Per Quart Container	Per Half Gallon Container	Per Gallon Container
Container Cost	\$(-.0015)	\$.0012	\$.0034
Production Expense	-	-	-
Route Delivery Expense	.0025	.0050	.0100
Other Distribution Expense	.0125	.0250	.0500
<u>Total</u>	<u>\$.0135</u>	<u>\$.0312</u>	<u>\$.0634</u>

From the above, it is quickly ascertainable that the principal area of cost difference is related to route delivery and other distribution expense.

Aside from the raw milk cost, this cost area is second in cost importance; but in a cost comparison analysis, recognition is required of any cost impact resulting from union contract wage rates, delivery restrictions and local health limitations. Reference will be made to these distinctions in detail.

Examination was made as to the elements of cost that were contained in the total delivery unit cost by the Metropolitan New York operation and by

the Metropolitan Chicago operation covering A & P private label milk in the Chicago-Calumet area.

This review disclosed that the total Chicago unit cost covering Route Delivery Expense and Other Distribution Expense included the cost covering the movement of milk from its plant at Woodstock, Illinois, to Chicago, Illinois, a distance of 51 miles, while in the New York operation this cost was considered to be a part of the milk cost.

To provide comparability of cost comparison, this cost which amounts to 35.29 cents per hundred pounds, or \$.0076 per point, was reclassified as a part of the Chicago milk cost. This reclassification of cost when added to the former cost of procurement, bulk tank premiums, association fees, inner zone premiums, etc., becomes 60.29 cents a hundred pounds which is comparable to the New York cost for similar type functions of 70 cents per hundred pounds. Schedule No. I attached hereto sets forth the details in connection with the formula price for raw milk covering both markets.

Delivery and Distribution Expense

The reclassification of the transport expense results in the following revised per unit cost covering route delivery expense and other distribution expense as follows:

	Per Quart	Per Half Gallon	Per Gallon
Route Delivery Expense	\$.0225	\$.0450	\$.0900
Other Distribution Expense	.0049	.0098	.0196
<u>Total</u>	<u>\$.0274</u>	<u>\$.0548</u>	<u>\$.1096</u>

The above delivery and distribution expense per unit as revised compares with the New York "delivery charge" as follows:

	Per Quart	Per Half Gallon	Per Gallon
Delivery Charge	<u>\$.0200</u>	<u>\$.0400</u>	<u>\$.0700</u>
Increased Cost Per Unit of Chicago over New York	<u>\$.0074</u>	<u>\$.0148</u>	<u>\$.0296</u>

Before due weight and consideration can be given to the indicated delivery and distribution cost differences between the two markets, recognition is necessary of factors that are basically different and thus create cost differentials which are wholly unrelated to operational efficiency.

(1) Both operations have in effect negotiated union labor contracts which govern rates of pay, hours of work, and method of delivery.

(2) The rate of pay and commission of a wholesale route driver in New York is substantially below that of Chicago. In New York the base pay per week is \$44.15 less and the commission cost per week based on Chicago's route loads is \$83.91 per week less.

(3) Both operations make deliveries on a 6-day basis to stores.

However, in New York the Dairy Sealed delivery is geared to a street drop delivery (even before the store opens). In Chicago the union contract specifically provides under Article 39B: "It is agreed that no relays of merchandise shall be made on store wholesale routes to trucks or stores at any time. All deliveries

shall be made into the dairy case or cooler by the driver without any help or assistance." While Chicago has been able to modify its delivery method compared to the restrictive provision of the union contract, the extent of such modification is limited.

(4) In New York the drop delivery method considers the sidewalk drop of merchandise even before the stores open, returning later to have the ticket signed and to pick up empty cases.

This type of drop delivery in Chicago would not be allowed by the Chicago Health Department.

(5) In New York, peak day requirements are handled by a "shuttle" service which implements into service a total of approximately ten vehicles, using both regular inside and outside personnel in its program. In Chicago the union contract limits this treatment and under no condition could "inside" union employees be used for an "outside" function. In Chicago inside and outside employees are represented by separate and distinct unions.

(6) The average purchase per store per day in New York represents 752 points compared to 547 points per delivery in Chicago. This is an important factor in delivery cost evaluation.

(7) There is a greater density of stores in the New York area which allows for less driving time and a greater application of more direct time in the delivery function.

The foregoing attempts to set forth some of the operational differences between the wholesale delivery operations in the two respective markets, all of which contribute to cost differences.

Schedule No. 2 attached is a comparison of the delivery and distribution costs between the two markets. This data discloses that it costs .0083 more to perform the wholesale delivery requirement in Chicago than New York. This comparison considers only prime basic delivery and distribution expenses as set forth and is completely devoid of any overhead and burden costs.

This delivery cost differential of .0083 per point is the equivalent of .0166 per half gallon and .0332 per gallon.

Schedule No. 3 sets forth the detailed per unit costs included in the New York quotation of September 3, 1964, and the Chicago-Calumet quotation of February 9, 1965. This schedule shows that after putting such costs on a comparable basis between the two markets that the difference in Chicago's per unit costs is entirely justified.

To summarize, the total container and departmental cost increase per the quotation is as follows:

<u>Per Quart</u>	<u>Per Half Gallon</u>	<u>Per Gallon</u>	<u>Weighted Average Per Qt.</u>
\$.0059	\$.0160	\$.0430	\$.0082

The actual delivery and distribution cost increase as disclosed by

Schedule No. 2 is as follows:

<u>Per Quart</u>	<u>Per Half Gallon</u>	<u>Per Gallon</u>	<u>Weighted Average Per Qt.</u>
\$.0083	\$.0166	\$.0332	\$.0083

The facts more than support the wholesale delivery and distribution differential.

Container Costs

A comparison of the container costs which were a part of New York's bid quotation of September 3, 1964, and the Chicago-Calumet quotation of February 9, 1965, discloses the following:

	Unit Cost Per Container		
	Quart Size	Half Gallon Size	Gallon Size
New York	\$.0200	\$.0329	\$.0650
Chicago-Calumet	.0185	.0342	.0684
Increase or (Decrease)			
Chicago over New York	(.0015)	.0013	.0034

Applying the above indicated container cost units to the volume in each market by container size, the average weighted cost per quart is as follows:

New York	\$.01734
Chicago	.01728

In this regard, it is important to recognize that container costs do not just represent the milk carton alone. This cost includes, in addition to the carton, the cost of the forming machine rental, production royalties, the cost of shipping cases and case container covers, all of which costs are variable in nature between plants.

Summary of Gross Margin to Borden as Revised (Not Including Overhead and Burden)

Schedule No. 4 is a revision of schedule "Basic Calculation and Private Label Quotation Schedule for Quarts, Half Gallons and Gallons" which was attached to the quotation of February 9, 1965.

This revised schedule discloses that the Borden gross margin (before overhead and burden) per quart (quarts, half gallons and gallons converted to a quart basis) to be \$.0036 per point.

Comparison of Selling Price

Schedule No. 5 sets forth a comparison of the present private label prices in New York adjusted for the difference in the base Class I price of \$1.07 per cwt. with the Chicago-Calumet quotation.

This schedule discloses the following:

	<u>Quart Paper</u>	<u>Half Gallon Paper</u>	<u>Gallon Paper</u>
Selling Prices in New York Adjusted for Class I Price Differential	\$.1748	\$.3453	\$.6797
Selling Prices Per the Chicago-Calumet Quotation	<u>.1855</u>	<u>.3430</u>	<u>.6860</u>
Excess of Chicago-Calumet Bid Quotation over Metro- politan New York Selling Prices as Adjusted	<u>\$.0107</u>	<u>\$ (.0023)</u>	<u>\$.0063</u>

Applying the increased and decreased price factors as shown above to the total quart, half gallon, and gallon volume considered in the Chicago-Calumet bid, these increased and decreased selling prices weighted on a per quart basis (quarts, half gallons and gallons converted to quarts) result in a weighted average per quart of only 9 tenths of a mill above the present New York selling prices for homogenized milk.

The foregoing attempts to set forth the data and supporting facts to justify the economic relationship of the Chicago-Calumet bid quotation with the accepted selling prices in effect in the Metropolitan New York market.

It is evident from the material examined and the cost factors analyzed that the selling prices quoted are realistic from a minimum cost standpoint and are devoid of overhead and burden cost elements.

00169

23 I

THE BORDEN COMPANY
CENTRAL DIVISION

BASIC CALCULATION OF RAW PRODUCT COST - CLASS I MILK

Formula Price for Raw Milk - Chicago-Calumet Revised by a Reclassification of Costs on a Comparable Basis with the New York Formula

BORDEN'S FORMULA FOR DETERMINING MILK COST FOR
A & P LABEL MILK CONTAINERS - NEW YORK MARKET
(Costs Based on August 1964 Class I Prices)

	Price Per Hundred Pounds
(A) Class I Price for 3.5% butterfat milk as announced by the Federal Milk Market Administrator under terms of Federal Milk Marketing Order No. 2	\$ 5.21
Market Administrator's Fee	.02
(B) Butterfat to 3.6%	.04

Country plant receiving, bulk farm tank pick-up allowances, farm inspection, supervision of country laboratory testing, etc., and hauling in bulk tanks to city plants

Shrinkage 1% .06

Total Cost of Milk at City Plants

\$.0603 x 2.15 lbs. = Cost per Quart	.1296
Cost per Half-Gallon	.2592
Cost per Gallon	.5184

NOTE:

(A) Based on present conditions.

If at some future time premiums to producers become widespread, this cost may have to be adjusted to reflect market conditions.

(B) Standardization of milk is not permitted in New York State. 3.6% represents a fair year-round average of our production. If year-round basis is not satisfactory, it can be adjusted on a quarterly, or even a monthly, basis.

Reclassification of Costs Per Hundred Pounds	Price Per Hundred Pounds as Revised
--	-------------------------------------

FORMULA PRICES FOR RAW MILK -- CHICAGO-CALUMET

	(a) Dr.	Cr.
Producer Price 3.5% B.F.	\$4.2900	
Market Administrator's Fee	.0200	
Shrinkage 1%	.0045	
Procurement Cost, Bulk Tank Premiums, Association Fees, Inner Zone Premiums and Hauling to City Distribution Points	.2500	.3529
Total Cost of Raw Milk F.O.B. Our Plant	\$4.5645	.3974
To 3.4% B.F.		\$ 4.9619

27A

629a

Butterfat 1 price for 3.5% butterfat milk as announced by the Federal Milk Market Administrator under terms of Federal Milk Marketing Order No. 2

\$ 5.21

Market Administrator's Fee

.02

Butterfat to 3.6%

.04

Country plant receiving, bulk farm tank pick-up allowances, farm inspection, supervision of country laboratory testing, etc., and hauling in bulk tanks to city plants

.70

Shrinkage 1%

.06

Total Cost of Milk at City Plants

\$ 6.03

\$.0603 x 2.15 lbs. = Cost per Quart

.1296

Cost per Half-Gallon

.2592

Cost per Gallon

.5184

NOTE:

(A) Based on present conditions.

If at some future time premiums to producers become widespread, this cost may have to be adjusted to reflect market conditions.

(B) Standardization of milk is not permitted in New York State. 3.6% represents a fair year-round average of our production. If year-round basis is not satisfactory, it can be adjusted on a quarterly, or even a monthly, basis.

(2) FORMULA PRICES FOR RAW MILK -- CHICAGO-CALUMET

Producer Price 3.5% B.F. \$4.2900
Market Administrator's Fee .0200
Shrinkage 1% .0045
Procurement Cost, Bulk Tank Premiums, Association Fees, Inner Zone Premiums and Hauling to City Distribution Points .2500
Total Cost of Raw Milk F.O.B. Our Plant \$4.5645
To 3.4% B.F. Finished Products .0740
Cost of 3.4% Finished Product \$4.4905

Reclassification of Costs Per Hundred Pounds as Revised

\$ 4.2900
.0200
.0490

.3529
.3974
.3974
\$4.4905
#Total Cost of Raw Milk F.O.B. City

.6029
\$ 4.9619
.0740
\$ 4.8879

MILK COST BY ITEMS

Quart 2.15 lbs. x \$4.4905 = \$.0966 2.15 lbs. x \$4.8879 = \$.1051
Half-Gallon 4.30 lbs. x 4.4905 = .1931 4.30 lbs. x 4.8879 = .2102
Gallon 8.60 lbs. x 4.4905 = .3862 8.60 lbs. x 4.8879 = .4204

NOTE:

(a) Represents the reclassification of the transport cost of moving products from Woodstock, Illinois, which is approximately 51 miles from Chicago, to City distribution points, from which location the products are loaded in route trucks for distribution to stores. This cost was a part of "Other Delivery Expenses."

THE BORDEN COMPANY
CENTRAL DIVISION

COMPARISON OF WHOLESALE

Item	DELIVERY COSTS-PER POINT	
	Metropolitan New York - Metropolitan Chicago	
	Cost per Point Delivered	
	Metropolitan New York	Metropolitan Chicago
Route Wage Costs and Commissions	\$.0098	\$.0171
Fringe Benefits on Above	.0013	.0027
Route Truck Expense	.0057	.0049
Sub-Total Route Delivery Expense	\$.0168	\$.0247
Supervision	.0002	.0003
Clerical and Billing	.0010	.0010
All Other Costs	.0015	.0018
GRAND TOTAL	\$.0195	\$.0278

Increase Per Point of Chicago Delivery
Cost Over Metropolitan New York
Delivery Cost

Number of Wholesale Routes	62 Dairy Sealed	42
Average Points per Delivery Day	" "	3,266
Number of A & P Stores Served	403 "	170
Average Points Per Day - A & P Stores	752 "	547

August 4, 1965

8/4/65

THE BORDEN COMPANYCentral DivisionReconciliation of Costs (Other Than Raw Product)

1965

Area	Between New York and Chicago-Calumet Quotations - Homogenized V.D. Milk		
	Quart Container	Half-Gallon Container	Gallon Container
New York Quotation of 9/3/64			
Container Cost	\$.0200	\$.0330	\$.0650
Processing Charge	.0200	.0400	.0800
Delivery Charge	.0200	.0400	.0700
Other	-	-	-
<u>TOTAL</u>	<u>\$.0600</u>	<u>\$.1130</u>	<u>\$.2150</u>
Chicago-Calumet Quotation of 2/9/65			
Container Cost	\$.0185	\$.0342	\$.0684
Production Expense	.0200	.0400	.0800
Route Delivery Expense	.0225	.0450	.0900
Other Distribution Expense	.0125	.0250	.0500
<u>TOTAL</u>	<u>\$.0735</u>	<u>\$.1442</u>	<u>\$.2884</u>
Increase of Chicago-Calumet Quoted Costs over New York Cost	<u>\$.0135</u>	<u>\$.0312</u>	<u>\$.0734</u>
Chicago-Calumet Costs Adjusted on a Comparable Basis with New York			
Container Cost	\$.0185	\$.0342	\$.0684
Production Expense	.0200	.0400	.0800
Route Delivery Expense	.0225	.0450	.0900
Other Distribution Expense	.0049	.0098	.0196
<u>TOTAL</u>	<u>\$.0659</u>	<u>\$.1290</u>	<u>\$.2580</u>
Increase of Chicago-Calumet Costs as Adjusted on a Comparable Basis with New York	<u>\$.0059</u>	<u>\$.0160</u>	<u>\$.0430</u>
Average Per Quart (Gallons, Half- Gallon & Quarts Converted to Quarts)		<u>\$.0092</u>	
Increase in Delivery Cost - Chicago-Calumet over New York - Based on Delivery Methods and Volumes Delivered - Schedule No. 2	<u>\$.0083</u>	<u>\$.0166</u>	<u>\$.0332</u>
Average Per Quart (Gallons, Half- Gallons & Quarts Converted to Quarts)			<u>\$.0083</u>

THE BORDEN COMPANY
CENTRAL DIVISION
CHICAGO-CALUMET AREA

Private Label Quotations For
1/4 Quarts, Half-Gallons & Gallons, as Revised

	Per Quart	Per Half-Gallon	Per Gallon
Raw Milk Cost	\$.1051	\$.2102	\$.4204
Container Cost	.0185	.0342	.0684
Production Expense	.0200	.0400	.0800
Route Delivery Expense (A) (Man & Truck Only)	.0625	.0450	.0900
Other Distribution Expense	.0049	.0098	.0196
TOTAL COST	.1710	.3392	.6784
Quotations for Private Label	.1855	.3430	.6860

BORDEN GROSS MARGIN
PER UNIT (not including
overhead and burden)

\$.0145 \$.0036 \$.0076

Composite Borden Gross Margin
Per Quart Per Detail Below

ITEM	Weekly Quarts	Borden Gross Margin	Total
Quarts	40,668	\$.0145	\$ 589.69
Half-Gallons	202,969	.0019	385.62
Gallons	57,204	.0019	108.69
Total	300,832	-	\$1,084.00

Composite Borden Gross Margin
Per Quart (not including over-
head and burden)

\$.0036

(A) Route Delivery Expense is based on the following:

- (1) Six (6) day delivery per week with one (1) delivery per store per day.
- (2) Store-Door deliveries. No in-store service.
- (3) No Special Deliveries.
- (4) No returns, except products inferior in quality and packaging at time of delivery.

Private Label Quotations For
14 Quarts, 14 1/2 Gallons & Gallons, as Revised

	Per Quart	Per Half-Gallon	Per Gallon
Raw Milk Cost	\$.1051	\$.2102	\$.4204
Container Cost	.0185	.0342	.0684
Production Expense	.0200	.0400	.0800
Route Delivery Expense (A) (Man & Truck Only)	.0225	.0450	.0900
Other Distribution Expense	.0049	.0098	.0196
TOTAL COST	.1710	.3392	.6784
Quotations for Private Label	.1855	.3430	.6860

BORDEN GROSS MARGIN
PER UNIT (not including
overhead and burden)

\$.0145 \$.0038 \$.0076

Composite Borden Gross Margin
Per Quart, Per Detail Below

ITEM	Weekly Quarts	Borden Gross Margin	Total
Quarts	40,668	\$.0145	\$ 589.69
Half-Gallons	202,969	.0019	385.62
Gallons	57,204	.0019	108.69
Total	300,832		\$1,084.00

Composite Borden Gross Margin
Per Quart (not including over-
head and burden)

\$.0036

(A) Route Delivery Expense is based on the following:

- (1) Six (6) day delivery per week with one (1) delivery per store per day.
- (2) Store-Door deliveries. No in-store service.
- (3) No Special Deliveries.
- (4) No returns, except products inferior in quality and packaging at time of delivery.

8-4-65

00208

THE BORDEN COMPANY
CENTRAL DIVISION

COMPARISON OF SELLING PRICES

	A & P Private Label Homogenized Vitamin D Milk			
	Quart Paper	Half-Gallon Paper	Gallon Paper	

Selling Prices in Effect - August 1965
In Metropolitan New York \$.1978 \$.3913 \$.7717

Class I Price Per Cwt. Under
Federal Order No. 2 \$ 5.36

Excess of Metropolitan New York

Class I Price Per Cwt. over

Chicago-Calumet Class I Super-
pool Price Per Cwt.

\$5.36 - \$4.29 = \$1.07

\$.0230 \$.0460 \$.0920

Converted to:

Quarts \$1.07 ÷ 46.5 = \$.0230

Half-Gallon 1.07 ÷ 23.25 = .0460

Gallon 1.07 ÷ 11.625 = .0920

Selling Prices in Effect - August 1965

In Metropolitan New York Adjusted

for Excess in Federal Order No. 2

Class I Price over Chicago-Calumet

Class I Price

\$.1748 \$.3453 \$.6797

Selling Price Quotation for Chicago
Calumet Area

\$.1855 \$.3430 \$.6860

Class I Superpool Price Per

Cwt. Represented by the

Chicago-Calumet Quotation \$ 4.29

Excess of Chicago-Calumet Bid

Quotation over Metropolitan New

York August 1965 Selling Price

as Adjusted

\$.0107 \$ (.0023) \$.0063

Excess of Chicago-Calumet Bid

Quotation over Metropolitan New

York August 1965 Selling Price as

Adjusted - Weighted on a Per Quart Basis:

Item	Weekly Quarts	Excess of Bid Quotation Per Quart	Value
Quart Paper	40,668	\$.0107	\$ 425.15
Half-Gallon Paper	202,960	(.0012)	(233.41)
Gallon Paper	57,204	.0016	90.10
Total	300,832	-	\$ 281.84

Average Per Quart

(1) \$.0009

(1) The Chicago-Calumet Bid Quotation is substantially below increased delivery costs due to difference in delivery in each large order; each subject to Union Contract Requirements.

44

113

Quart Paper	Half-Gallon Paper	Gallon Paper
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
8	8	8
9	9	9
10	10	10
11	11	11
12	12	12
13	13	13
14	14	14
15	15	15
16	16	16
17	17	17
18	18	18
19	19	19
20	20	20
21	21	21
22	22	22
23	23	23
24	24	24
25	25	25
26	26	26
27	27	27
28	28	28
29	29	29
30	30	30
31	31	31
32	32	32
33	33	33
34	34	34
35	35	35
36	36	36
37	37	37
38	38	38
39	39	39
40	40	40
41	41	41
42	42	42
43	43	43
44	44	44
45	45	45
46	46	46
47	47	47
48	48	48
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51	51	51
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58	58	58
59	59	59
60	60	60
61	61	61
62	62	62
63	63	63
64	64	64
65	65	65
66	66	66
67	67	67
68	68	68
69	69	69
70	70	70
71	71	71
72	72	72
73	73	73
74	74	74
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80	80	80
81	81	81
82	82	82
83	83	83
84	84	84
85	85	85
86	86	86
87	87	87
88	88	88
89	89	89
90	90	90
91	91	91
92	92	92
93	93	93
94	94	94
95	95	95
96	96	96
97	97	97
98	98	98
99	99	99
100	100	100

Year	Value
1978	\$ 3913
1977	\$ 7177

Federal Order No. 2 \$5.36

	\$.0230	\$.0460	\$.0920
--	----------	----------	----------

Quarts	$\$1.07 \div 46.5$	=	$\$.0230$
Half-Gallon	$1.07 \div 23.25$	=	$.0460$
Gallon	$1.07 \div 11.625$	=	$.0920$

100

\$.6797	
\$.3453	\$.1748

\$.1855	\$.3430	\$.6860
----------	----------	----------

100

\$.0107	\$ (.0023)	\$.0063
----------	------------	----------

Figure 1

3925'

(1) \$.0009

00209

5/

2922

636a

THE BORDEN COMPANY
CENTRAL DIVISION

WEEKLY ROUTE WAGE COST COMPARISON

Item	(Chicago-Calumet Route Wage Costs Based On:)	
	New York Dairy Sealed Union Contract Local #602	Chicago Union Contract Local #753 Teamsters
Base Wage - Regular Routeman	\$ 89.95	\$ 134.10
" - Relief Routeman	18.79	28.22
" - Route Foreman	7.30	7.31
Commissions	64.67	148.58
Paid Holidays and Death Leave	3.30	1.63
Paid Vacations	9.40	9.77
Employer Pension and Welfare Contributions	29.90	33.12
Federal and State Payroll Taxes	7.41	9.88
Workmen's Compensation Insurance	5.80	2.65
<u>Total Weekly Route Wage Cost</u>	<u>\$ 236.52</u>	<u>\$ 375.26</u>
<u>Weekly Route Load in Points (Chicago Average)</u>	<u>19,596</u>	<u>19,596</u>
<u>Average Route Wage Cost Per Point</u>	<u>\$.0121</u>	<u>\$.0192</u>
<u>Increase Per Point of Chicago Route Wage Cost Over New York Dairy Sealed Route Wage Cost Related to Chicago Route Volume</u>		<u>(1) \$.0071</u>

- (1) This schedule is designed to show the increase in
wholesale route wage costs which result only
from differences in Union Contract wage, commission
rates, and employer's route wage costs based on
similar volume loads.

It does not consider the further difference in the
cost per point delivered which results from the
differing methods possible under the union contracts
in effect, health department regulations, and route
load volume in the respective New York and Chicago
markets.

00170

CX 25

Memo - Re: A&P

Minkler, Fagerson & Malone went to see Bartels at A&P office.

Purpose was to review with Bartels the results of the review made covering the elements of cost embracing the New York bid as compared with the Chicago Calumet bid.

Previous visits with Bartels by Minkler, Bartels indicated that there were substantial cost differences between N.Y. and Chicago and that he wanted such differences explained.

Appointment was for 2. P.M. and we saw Bartels about

2.10 P.M.

Minkler indicated to Bartels that possibly we could use their meeting rooms so that we could lay out the results of our review and also be undisturbed in our conference.

Bartels indicated that this was not possible due to pressure of time but he would listen to what we had to say and we retired to his office.

Minkler then proceeded to explain that we had made an exhaustive comparison of the cost elements involved in both markets and he would like to review a report comparison that had been prepared which outlined the various differences involved. Bartels cut this approach rather short indicating that he was not concerned about our costs as such compared with N.Y. or our problems - all he wanted to really know as a buyer, what was our price - that we were sure of our price and that he did not want to be in a position where we would come back and request another chance.

Minkler kept pressing that there were significant

factors that had to be recognized in any comparison between the two markets - pointing out the various elements of cost required in the area of raw product costs to make a comparable review. Some discussion was held in this regard.

Minkler also pointed out that there was a significant difference in route delivery costs between the two markets.

This led into a review of the difference of wage rates, both inside and outside employees and Bartels was shown the schedule disclosing the rates and percentage increase in Chicago over New York. Bartels inquired as to Woodstock plant, indicating that our indicated cost was the same as New York, and inquired as to why it should not be lower. In this regard it was pointed out to Bartels that there was a substantial wage rate differential. Also it was indicated that the productive output per manhour had increased and that plant costs presently were down 15%. Up to this point we had taken about 40 minutes of time and Bartels indicated that he had a pressing matter with Mr. Vogel(?).

Minkler left with Bartels a copy of the reconciliation report and Bartels indicated he would try to review same over the week end and would be in touch.

It was understood that Minkler and Bartels would meet on Monday and further discuss the matter.

Mr. Miller, Engineer, Madison wants to see Bartels at
his P. office.

Tracy wants to discuss with Bartels the receipt of the
several series of coins, the statement of cost incurred
in New York and in comparison with the Chicago
Bureau's work.

Tracy wants with Bartels to Mr. Miller, Bartels
indicates that there are substantial cost differences
between N.Y. and Chicago work and that the receipt
and differences are explained.

By agreement even for 2 P.M. work was done Bartels about

2.10 P.M.

Mr. Miller indicates to Bartels that possibly we
could use other printing rooms so that we could
buy with the receipt of our money, work along the
industrial and our comparison.

Bartels indicates that this was not possible due to
pressure of time that he would have to submit
his to day and we return to the office

Mr. Miller then proceeds to discuss what we have
made as no further comparison of the cost elements
which we have submitted with the receipt due to
many as report comparison that has been prepared
which include the various differences involved.

Bartels asks other officials, stating that indicating
that he was not convinced what we are doing - and
comparing with N.Y. as our partners - all the receipt
to make known as is known, which was our first
that we were one of our first and that the
first receipt to be no comparison with our receipt
was high and report receipt shown.

Mr. Miller says "I am sure that there was no comparison"

EX 250

RB-1A
copy of

THE BORDEN COMPANYCENTRAL DIVISIONWAGE RATE COMPARISON

	New York Local 602	Chicago Local 754	Increase Per Wk. %
Pasteurizing Foreman	\$121.50	\$143.00	\$21.50 17.7
Pasteurizer	121.50	138.00	16.50 13.6
Weighmaster and Tester	121.50	131.50	10.00 8.2
General Utility	116.00	128.50	12.50 10.7
Paper Package Operators	115.00	135.00	20.00 17.4
Platform and Yard Men	120.50	128.50	8.50 7.1
Watchmen	109.00	128.50	17.50 16.1
Car Washers	116.00	128.50	12.50 10.7
Mechanics	123.00	151.60	28.60 23.2
Mechanic's Helpers	111.50	136.00	24.50 21.9
Route Rider	93.95	140.10	47.15 50.1
Route Foreman	146.00	146.20	.20 -
Routemen -- Base	89.95	134.10	44.15 49.1
Routemen -- Commission *	64.67	* 148.58	83.91 129.7

*Based on similar volume -- Chicago's Wholesale Average of 19,596 points per week.

Inside Workers Wage Cost approximates \$11,000 annually in Chicago.

Wholesale Route Driver Wages only approximate \$14,700 annually in Chicago.

Wholesale Route Wage Cost to Employer approximates \$19,500 annually in Chicago.

60160

CX-26

62. 8/11- 11 Sweet - 67
642a

Suggest birds from other
than Norden - KRS 7/11 - Bannan
Wings - Cansas - J. L. S. - Rockford

Also send him sup. from
Norden on Compendium Co.

00171

0192

643a

ZONE I

Prices as of May 6

643a

Chicago and Calumet Area

Differential
Annual
Basis

Commodity	Yearly Usage	Borden Label Unit Cost	Borden Label Annual Cost	A & P Label Unit Cost	A & P Label Annual Cost	Differential Annual Basis
Gals. Homo Paper	773,327	.6272*	485,031	.6860	\$ 530,504	\$ 39,520
1/2 Gals. Homo	5,321,403	.3136	1,668,920	.3430	1,825,235	135,702
Qts. Homo	2,194,591	.1696	371,203	.1855	407,091	31,824
Qts. Chocolate	163,037	.2080	33,912	.2387	38,913	815
1/2 Gals. Buttermilk	331,344	.3136	103,709	.3350	111,000	11,096
Qts. Buttermilk	542,083	.1477	79,795	.1720	93,238	15,182
1/2 Gals. 2%	612,231	.2944	180,241	.3220	197,149	14,248
1/2 Gals. Skim	515,996	.3008	155,212	.3200	165,119	13,050
Qts. Skim	445,587	.1634	72,120	.1600	71,294	14,125
1/2 Pts. Whip Cream	256,481	.2560	65,659	.2700	69,250	9,443
Pts. Half & Half	1,577,403	.2496	393,720	.2600	410,125	60,579

\$ 4,264,502
3,611,194

\$ 3,919,956 \$ 345,584

Circled figures all Borden quotes - all zones

B S.A

February 9, 1965

FORMULA PRICE FOR RAW MILK

	<u>Per Hundred Pounds</u>
Producer Price - 3.5% B.F.	\$ 4.2900
Market Administrator's Fee	.0200
Shrinkage 1%	.0045
Procurement, Bulk Tank Premiums	
Association Fees, Inner Zone Premiums, etc.	<u>.2500</u>
Total Cost of 3.5% Raw Milk F.O.B. Our Plant	\$ 4.5645
To 3.4% B.F. Finished Product	<u>.0740</u>
Cost of 3.4% Finished Product	\$ 4.4905

MILK COST BY ITEMS

Quart	2.15 pounds x \$4.4905 per cwt.	\$.0966
Half Gallon	4.30 pounds x \$4.4905 per cwt.	.1931
Gallon	8.60 pounds x \$4.4905 per cwt.	.3862

CHICAGO-CALUMET AREAPrice Change Per Unit

(Related to the Present Announced Super Pool Class I Price of \$4.29 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

February 9, 1965.

CHICAGO-CALUMET AREA

Price Change Per Unit

(Related to the Present Announced Super Pool Class I Price of \$4.29 per CWT.)

Increase or
Decrease per CWT.

	<u>Increase or Decrease in Price Per Unit</u>		
	<u>Per Quart</u>	<u>Per Half Gallon</u>	<u>Per Gallon</u>
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

February 9, 1965
(Revised on August 13, 1965)

The Borden Company

Chicago-Calumet Area

General Quotation - A & P Private Label

(Related to the Present Announced Super Pool Class I Price of \$4.29)

	Net for Borden Label	Net for A & P Private Label
Homo V D Milk - Gal. Paper	\$.7371	\$.6860
Homo V D Milk - 1/2 Gal. Paper	.3685	.3430
Homo V D Milk - Quart Paper	.2000	.1855
2% - Gal. Paper	.6906	.6440
2% - 1/2 Gal. Paper	.3453	.3220
Vitamin Fortified Skim - 1/2 Gal. Paper	.3453	.3200
Vitamin Fortified Skim - Quart Paper	.1917	.1600
Half and Half - Pint Paper	.2984	.2600
Chocolate Milk - Quart Paper	.2437	.2387
Buttermilk - 1/2 Gal. Paper	.3685	.3350
Buttermilk - Quart Paper	.2000	.1720
Whipping Cream - 1/2 Pint Paper	.3068	.2700

In the above listing, we have not included half and half quarts, sour cream, sour half and half, sour cream dips, triple whip and yogurt. Production of these items under private label, in addition to our regular brand, adversely affects production costs substantially because the items are required in limited

quantity.

CHICAGO, CHICAGO SUBURBAN & CALUMET AREAS

Includes The Following Citities and Towns:

ILLINOIS

Chicago	Lake Bluff
Arlington Heights	Lake Forest
Barrington	Libertyville
Batavia	Maywood
Densenvillo	Midlothian
Derryn	Mt. Prospect
Blue Island	Kundelein
Brookfield	Maperville
Chicago Heights	Miles
Chicago Ridge	Morridge
Cicero	Northbrook
Des Plaines	Oak Lawn
Dalton	Oak Park
Downers Grove	Palatine
Dundee	Park Ridge
Elgin	Richton Park
Elmhurst	Riverside
Everest	Schaumburg
Evergreen Park	Skokie
Franklin Park	St. Charles
Glen Ellyn	Summit
Glenview	Villa Park
Harvey	Waukegan
Highland Park	Western Springs
Highwood	Winneton
Homewood	Wilmette
La Grange	Winnetka

East Chicago	Portago
Gary	Munster
Hammond	Whiting
Hobart	

INDIANA

649a

ZONE II
South Bend Area

Prices as of May 8

Commodity	Yearly Usage	Borden Label Unit Cost (Average)	Borden Label Annual Cost		A & P Label Unit Cost	A & P Label Annual Cost	Differential Annual Basis
Gals. Homo	129,272	.6305	\$ 81,501	3 day 6 day	.6090 .6640	\$ 78,884	\$ 2,617
1/2 Gals. Homo	493,064	.2993 .3203	147,514 157,907	3 day 6 day	.3080 .3355	152,412	5,495
Qts. Homo	97,431	.1674 .1694	15,823 16,501	3 day 6 day	.1630 .1760	15,929	572
Qts. Chocolate	10,400	.2166	2,172 2,253	3 day 6 day	.2156 .2516	2,253	-
1/2 Gals. Buttermilk	23,504	.2993 .3193	7,035 7,505	3 day 6 day	.3084 .3389	7,263	242
Qts. Buttermilk	29,276	.1600 .1687	4,699 4,940	3 day 6 day	.1550 .1680	4,541	399
1/2 Gals. 2%	101,781	.2801 .2965	28,509 30,177	3 day 6 day	.2800 .3035	28,600	1,577
1/2 Gals. Skim	21,216	.2865 .2852	6,078 6,050	3 day 6 day	.2600 .2785	5,529	521
Qts. Skim	11,371	.1560 .1601	1,774 1,820	3 day 6 day	.1555 .1708	1,768	52
1/2 Pts. Whip Cream	14,109	.2469 .2555	3,484 3,605	3 day 6 day	.2490 .2720	3,536	69
Pts. Half & Half	76,076	.2441 .2465	18,573 18,755	3 day 6 day	.2390 .2480	18,217	533

\$ 331,014
312,474

\$ 318,932

\$ 12,082

B-Sub 8

Schedule No. 1 - Part 1

Revised
July 26, 1965.

FORMULA PRICE FOR RAW MILKper Hundred Pounds

Producer Price 3.5% B.F. \$4.3200

Market Administrator's Fee .0200

Shrinkage .0045

Procurement, Bulk Tank Premiums,
 Association Fees, etc. .2500

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant \$4.5945

To 3.4% B.F. Finished Product .0700

Cost of 3.4% Finished Product \$4.5245

MILK COST BY ITEMS

Quarts 2.15 pounds X \$4.5245 per cwt. = \$.0973

Half Gallons 4.30 pounds X 4.5245 per cwt. = .1946

Gallons 8.60 pounds X 4.5245 per cwt. = .3891

Revised July-26, 1965

The Borden CompanyGeneral Quotation - A & P Private Label(Related to Present Announced Superpool Class I Price of \$4.32 Per CWT.)Net Price for A & P Private Label Products
by Type and Method of Delivery

Private Label Products	3-Day		4-Day		5-Day		6-Day	
	Per Wk.	Drop	Per Wk.	Drop	Per Wk.	Drop	Per Wk.	Convent'l.
	Delv'y.	Delv'y.	Delv'y.	Delv'y.	Delv'y.	Delv'y.	Delv'y.	Delivery
Homo V.D. Milk - Gal. Paper	\$.6090		\$.6440		\$.6540		\$.6640	
Homo V.D. Milk - 1/2 Gal. Paper	.3080		.3255		.3305		.3355	
Homo V.D. Milk - Quart Paper	.1630		.1700		.1730		.1760	
2% - 1/2 Gal. Paper	.2800		.2935		.2985		.3035	
Vitamin Fortified Skim - 1/2 Gal. Paper	.2600		.2685		.2735		.2785	
Vitamin Fortified Skim - Quart Paper	.1555		.1648		.1678		.1708	
Half & Half - Pint Paper	.2390		.2420		.2450		.2480	
Chocolate Milk - Quart Paper	.2156		.2456		.2486		.2516	
Buttermilk - 1/2 Gal. Paper	.3084		.3289		.3339		.3389	
Buttermilk - Quart Paper	.1550		.1620		.1650		.1680	
Whipping Cream - 1/2 Pint Paper	.2490		.2660		.2690		.2720	

Prices apply to stores located in the geographical area subject to the terms of the Chicago Super Pool which are as follows:

Stores Receiving 3-Day Per Week Delivery:

South Bend (6 stores), Mishawaka,
Elkhart, Goshen, La Porte, Valpariso,
Walkerton and Michigan City.

Stores Receiving 6-Day Per Week Delivery:

Chesterton, South Bend (1 store).

Stores Receiving 4-Day and 5-Day Per Week Delivery:

None

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Schedule No. 1 - Part 2

Revised July 26, 1965

Page 2

Drop Delivery recognizes store door deliveries - no in-store service; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

Conventional Delivery recognizes full service delivery; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

Revised July 26, 1965

Price Change Per Unit

(Related to the Present Announced Chicago Super Pool Class I Price
of \$4.32 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

651a

Schedule No. 1 - Part 3

Page 2

Revised July 26, 1965

Price Change Per Unit(Related to the Present Announced Chicago Super Pool Class I Price
of \$4.32 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

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Prices as of May 8

ZONE III

Rockford Joliet Area

Commodity	Yearly Usage	Borden Label Unit Cost (Average)	Borden Label Annual Cost	A & P Label Unit Cost	A & P Label Annual Cost	Differential Annual Basis
Gals. Homo	50,353	.7305	\$ 36,781	.6960	\$ 35,048	\$ 1,733
1/2 Gals. Homo	251,507	.3645	91,676	.3480	87,533	4,143
Qts. Homo	63,076	.1907	12,029	.1810	11,423	606
Qts. Chocolate	13,919	.2403	3,345	.2330	3,241	104
1/2 Gals. Buttermilk	20,124	.3643	7,332	.3544	7,124	208
Qts. Buttermilk	30,957	.1893	5,859	.1810	5,599	260
1/2 Gals. 2%	97,725	.3347	32,708	.3230	31,564	1,144
1/2 Gals. Skim	25,116	.3306	8,303	.3080	7,731	572
Qts. Skim	15,600	.1789	2,791	.1695	2,652	139
1/2 Pts. Whip Cream	29,588	.2882	8,528	.2813	8,320	208
Pts. Half & Half	58,725	.2807	16,484	.2570	15,097	1,387
			\$ 225,836		\$ 215,332	\$ 10,504
			196,019			

Schedule No. 2 - Part 1.

Revised
July 26, 1965.

FORMULA PRICE FOR RAW MILK

Per Hundred pounds

Producer Price 3.5% B.F.

\$4.0000

Market Administrator's Fee

.0200

Shrinkage

.0043

Procurement, Bulk Tank Premium,
 Association Fees, etc.

.2500

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant

\$4.2743

To 3.4% B.F. Finished Product

..0700

Cost of 3.4% Finished Product

\$4.2043

MILK COSTS BY ITEMS

Quarts 2.15 pounds X \$4.2043 per cwt. = \$.0904

Half Gallons 4.30 pounds X 4.2043 per cwt. = .1808

Gallons 8.60 pounds X 4.2043 per cwt. = .3616

Schedule No. 2 - Part 2Revised July 26, 1965The Borden CompanyGeneral Quotation - A & P Private Label(Related to Present Announced Superpool Class I Price of \$4.00 Per CWT.)Net Price for A & P Private Label Products
by Type and Method of Delivery

<u>Private Label Products</u>	<u>3-Day</u>		<u>4-Day</u>		<u>5-Day</u>		<u>6-Day</u>	
	<u>Per Wk.</u>	<u>Drop Delv'y.</u>	<u>Per Wk.</u>	<u>Drop Delv'y.</u>	<u>Per Wk.</u>	<u>Drop Delv'y.</u>	<u>Per Wk.</u>	<u>Convent'l. Delivery</u>
Homo V.D. Milk - Gal. Paper	\$.6410		\$.6760		\$.6860		\$.6960	
Homo V.D. Milk - 1/2 Gal. Paper	.3205		.3380		.3430		.3480	
Homo V.D. Milk - Quart Paper	.1680		.1750		.1780		.1810	
2% - 1/2 Gal. Paper	.2995		.3130		.3180		.3230	
Vitamin Fortified Skim - 1/2 Gal. Paper	.2895		.2980		.3030		.3080	
Vitamin Fortified Skim - Quart Paper	.1542		.1635		.1665		.1695	
Half & Half - Pint Paper	.2480		.2510		.2540		.2570	
Chocolate Milk - Quart Paper	.1970		.2270		.2300		.2330	
Buttermilk - 1/2 Gal. Paper	.3239		.3444		.3494		.3544	
Buttermilk - Quart Paper	.1680		.1750		.1780		.1810	
Whipping Cream - 1/2 Pint Paper	.2583		.2753		.2783		.2813	

Prices apply to stores located in the geographical area subject to the terms of the Rockford Superpool which are as follows:

Stores Receiving 6-Day Per Week Delivery:

Lockport, Aurora (2 stores), Joliet
(6 stores), Rockford (5 stores), Freeport
and Loves Park.

Stores Receiving 3-Day - 4-Day - or 5-Day Per Week Delivery:

None

Schedule No. 2 - Part 2Revised July 26, 1965Page 2

Drop Delivery recognizes store door deliveries - no in-store service; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

Conventional Delivery recognizes full service delivery; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

Revised July 26, 1965

Price Change Per Unit(Related to the Present Announced Rockford Super Pool Class I Price
of \$4.00 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

Revised July 26, 1965

Price Change Per Unit

(Related to the Present Announced Rockford Super Pool Class I Price
of \$4.00 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

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ZONE IV

Prices as of May 8

Miscellaneous Area

<u>Commodity</u>	<u>Yearly Usage</u>	<u>Borden Label Unit Cost (Average)</u>	<u>Borden Label Annual Cost</u>	<u>A & P Label Unit Cost (Average)</u>	<u>A & P Label Annual Cost</u>	<u>Differential Annual Basis</u>
Gals. Homo	158,479	.6274 .6866	99,318 \$ 108,819	.6546	\$ 103,740	\$ 5,079
1/2 Gals. Homo	723,095	.3136 .3501	226,763 253,188	.3286	237,623	15,565
Qts. Homo	141,908	.1696 .1837	24,068 26,069	.1708	24,232	1,837
Qts. Chocolate	23,487	.1180 .2325	4,865 5,460	.2118	4,975	485
1/2 Gals. Buttermilk	30,264	.3136 .3580	9,491 10,833	.3316	10,036	797
Qts. Buttermilk	52,468	.1474 .1843	7,723 9,672	.1721	9,031	641
1/2 Gals. 2%	124,193	.2914 .3232	36,562 40,144	.3045	37,821	2,323
1/2 Gals. Skim	30,663	.3088 .3273	9,223 10,036	.2945	9,031	1,005
Qts. Skim	27,109	.1634 .1707	4,424 4,628	.1567	4,247	381
1/2 Pts. Whip Cream	48,967	.2560 .2917	12,536 14,283	.2623	12,844	1,439
Pts. Half & Half	156,381	.2446 .2742	39,033 42,883	.2462	38,497	4,386
			\$ 526,015 474,106		\$ 492,077	\$ 33,938

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B-E-A

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Schedule No. 3 - Part 1.

Revised
July 26, 1965.

FORMULA PRICE FOR RAW MILK

Per Hundred Pounds

Producer Price 3.5% B.F.

\$3.7800

Market Administrator's Fee

.0200

Shrinkage

.0041

Procurement, Bulk Tank Premiums,
Association Fees, etc.

.2500

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant

\$4.0541

To 3.4% B.F. Finished Product

.0700

Cost of 3.4% Finished Product

\$3.9841

MILK COSTS BY ITEMS

Quarts 2.15 pounds X \$3.9841 per cwt. = \$.0857

Half Gallons 4.30 pounds X 3.9841 per cwt. = .1713

Gallons 8.60 pounds X 3.9841 per cwt. = .3426

Revised July 26, 1965

The Borden CompanyGeneral Quotation - A & P Private Label(Related to the Announced Class I Price Under Federal Order
No. 30 of \$3.78 Per CWT.)Net Price for A & P Private Label Products
by Type and Method of Delivery

Private Label Products	3-Day		4-Day		5-Day		6-Day	
	Per Wk.	Drop	Per Wk.	Drop	Per Wk.	Drop	Per Wk.	Drop
	Delv'y.		Delv'y.		Delv'y.		Delv'y.	
Homo V.D. Milk - Gal. Paper	\$.6216		\$.6566		\$.6666		\$.6766	
Homo V.D. Milk - 1/2 Gal. Paper	.3108		.3283		.3333		.3383	
Homo V.D. Milk - Quart Paper	.1644		.1714		.1744		.1774	
2% - 1/2 Gal. Paper	.2898		.3033		.3083		.3133	
Vitamin Fortified Skim - 1/2 Gal. Paper	.2798		.2883		.2933		.2983	
Vitamin Fortified Skim - Quart Paper	.1474		.1567		.1597		.1627	
Half & Half - Pint Paper	.2414		.2444		.2474		.2504	
Chocolate Milk - Quart Paper	.1934		.2234		.2264		.2294	
Buttermilk - 1/2 Gal. Paper	.3078		.3283		.3333		.3383	
Buttermilk - Quart Paper	.1644		.1714		.1744		.1774	
Whipping Cream - 1/2 Pint Paper	.2484		.2654		.2684		.2714	

Prices apply to stores located in the geographical area subject to the announced Class I milk prices under Federal Order No. 30, (which Class I milk prices are not subject to producer "superpool" payments) which stores are as follows:

Stores Receiving 3-Day Per Week Delivery:

Manteno	Momence	St. Annes	Gilman	La Salle
Marseilles	Ottawa	Streator	Pontiac	Princeton
Spring Valley	Sandwich	Plano	Lacon	Minonk
Culver	Knox	North Judson	Galena	Warren

Stores Receiving 4-Day Per Week Delivery:

None

Revised July 26, 1965Page 2Stores Receiving 5-Day Per Week Delivery:

Belvidere	Marengo	DeKalb
Rochelle	Polo	Mt. Morris
Dixon		

Stores Receiving 6-Day Per Week Delivery:

Woodstock	McHenry
Fox Lake	Antioch
Kankakee (2 stores)	Wauconda
Pecatonica	Crystal Lake
Wilmington	Zion

Drop Delivery recognizes store door deliveries - no in-store service; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

Conventional Delivery recognizes full service delivery; no special deliveries and no returns except products inferior in quality and packaging at time of delivery.

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Schedule No. 3 - Part 3

Revised July 26, 1965

Price Change Per Unit(Related to the Federal Order No. 30 Announced Class I Price
of \$3.78 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

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Schedule No. 3 - Part 3

Page 2

Revised July 26, 1965

Price Change Per Unit

(Related to the Federal Order No. 30 Announced Class I Price
of \$3.78 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

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ZONE V

Prices as of Mar. 3

Rock Island Area

Commodity	Yearly Usage	Borden Label Unit Cost (Average)	Borden Label Annual Cost	A & P Label Unit Cost	A & P Label Annual Cost	Differential Annual Basis
Gals. Homo	148,911	.6066	\$ 90,324	.5872	\$ 87,447	\$ 2,877
1/2 Gals. Homo	255,840	.3035	77,636	.2938	75,175	2,461
Qts. Homo	106,652	.1710	18,235	.1661	17,715	520
Qts. Chocolate	15,600	.1933	3,016	.1883	2,947	69
Qts. Buttermilk	28,617	.1714	4,905	.1666	4,767	138
1/2 Gals. 2%	87,013	.2743	23,868	.2646	23,019	849
1/2 Gals. Skim	37,613	.2627	9,880	.2531	9,516	364
Qts. Skim	22,585	.1573	3,553	.1523	3,432	121
1/2 Pts. Whip Cream	23,157	.2717	6,292	.2671	6,188	104
Pts. Half & Half	86,216	.2445	21,077	.2399	20,679	398
			\$ 258,786 275,329		\$ 250,885	\$ 7,901

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Schedule No. 4 - Part 1

Revised
July 26, 1965.

FORMULA PRICE FOR RAW MILK

per Hundred Pounds

Producer Price 3.5% B.F.	\$3.8800
Market Administrator's Fee	.0200
Milk Foundation and City Health Inspection Fee	.0200
Waste	.0040
Premiums	<u>.1000</u>

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant

\$4.0240

To 3.4% B.F. Finished Product

.0720

Cost of 3.4% Finished Product

\$3.9520

MILK COSTS BY ITEMS

Quarts 2.15 pounds X \$3.9520

= \$.0850

Half Gallons 4.30 pounds X 3.9520

= .1699

Gallons 8.60 pounds X 3.9520

= .3398

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Schedule No. 4 - Part 2

Revised July 26, 1965

The Borden CompanyGeneral Quotation - A & P Private Label

(Related to the Announced Class I Price Under Federal Order No. 63 of \$3.88 per c

Net Price for A & P Private Label Products
by Type and Method of Delivery

	3-Day Per Wk. Drop Deliv'y.	4-Day Per Wk. Drop Deliv'y.	5-Day Per Wk. Drop Deliv'y.	6-Day Per Wk. Convent'l. Delivery
<u>Private Label Products</u>				
Homo V. D. Milk - Gal. Paper	.5872	.6222	.6322	.6422
Homo V. D. Milk - 1/2 Gal. Paper	.2938	.3113	.3163	.3213
Homo V. D. Milk - Quart Paper	.1661	.1731	.1761	.1791
2% - 1/2 Gal. Paper	.2646	.2781	.2831	.2881
Vitamin Fortified Skim Milk-1/2 Gal. Paper	.2531	.2616	.2666	.2716
Vitamin Fortified Skim " Qt.-Paper	.1523	.1616	.1646	.1676
Half and Half - Pint Paper	.2399	.2429	.2459	.2489
Chocolate Milk - Quart Paper	.1883	.2183	.2213	.2243
Buttermilk - Quart Paper	.1666	.1736	.1766	.1796
Whipping Cream - 1/2 Pint Paper	.2671	.2841	.2871	.2901

prices apply to stores in the geographical area subject to the announced Class I Milk prices under Federal Order No. 63, (which Class I Milk prices are not subject to producer "Super Pool" payments) which stores are as follows:

Stores Receiving 3 Day Per Week Delivery

Geneseo Kewanee Lanark Moline (2 Stores)
Mt. Carroll Rock Island Savannah Sterling
Toulon Galesburg (2 Stores) Clinton Davenport (2 Stores)

Stores Receiving 4 Day, 5 Day or 6 Day Delivery

None.

Drop Delivery recognizes store-door deliveries - no in-store service; no special deliveries and no returns except products inferior in quality and packaging at the time of delivery.

Conventional Delivery recognizes full service delivery; no special deliveries and no returns, except products inferior in quality and packaging at time of delivery.

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Schedule No. 4 - Part 3

Revised July 26, 1965

Price Change Per Unit(Related to the Federal Order No. 63 Announced Class I Price
of \$3.86 per CWT.)

Increase or Decrease per CWT.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

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Schedule No. 4 - Part 3
Page 2

Revised July 26, 1965

Price Change Per Unit(Related to the Federal Order No. 63 Announced Class I Price
of \$3.88 per CWT.)

Increase or Decrease Per CWT.	Increase or Decrease in Price		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

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ZONE I

Prices as of May 2

Chicago and Calumet Area

Commodity	Yearly Usage	Borden Label Unit Cost	Borden Label Annual Cost	A & P Label Unit Cost	A & P Label Annual Cost	Differential Annual Basic
Gals. Homo Paper	773,327	.7371	\$ 570,024	.6860	\$ 530,504	\$ 39,520
1/2 Gals. Homo	5,321,403	.3685	1,960,937	.3430	1,825,235	135,702
Qts. Homo	2,194,591	.2000	438,915	.1855	407,091	31,824
Qts. Chocolate	163,037	.2437	39,728	.2387	38,913	815
1/2 Gals. Buttermilk	331,344	.3685	122,096	.3350	111,000	11,096
Qts. Buttermilk	542,083	.2000	108,420	.1720	93,238	15,182
1/2 Gals. 2%	612,231	.3453	211,397	.3220	197,149	14,248
1/2 Gals. Skim	515,996	.3453	178,169	.3200	165,119	13,050
Qts. Skim	445,587	.1917	85,419	.1600	71,294	14,125
1/2 Pts. Whip Cream	256,481	.3068	78,693	.2700	69,250	9,443
Pts. Half & Half	1,577,403	.2984	470,704	.2600	410,125	60,579

\$ 4,264,502

\$ 3,919,956

\$ 345,584

573,927 Lbs.
 178,000 Lbs.
 5/35 033

Extra Copy
 5/35 033

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South Bend Area

Prices as of May 8

<u>Commodity</u>	<u>Yearly Usage</u>	<u>Borden Label Unit Cost (Average)</u>	<u>Borden Label Annual Cost</u>		<u>A & P Label Unit Cost</u>	<u>A & P Label Annual Cost</u>	<u>Differential Annual Basis</u>
Gals. Homo	129,272	.6305	\$ 81,501	3 day	.6090	\$ 78,884	\$ 2,617
				6 day	.6640		
1/2 Gals. Homo	493,064	.3203	157,907	3 day	.3080	152,412	5,495
				6 day	.3355		
Qts. Homo	97,431	.1694	16,501	3 day	.1630	15,929	572
				6 day	.1760		
Qts. Chocolate	10,400	.2166	2,253	3 day	.2156	2,253	-
				6 day	.2516		
1/2 Gals. Buttermilk	23,504	.3193	7,505	3 day	.3084	7,263	242
				6 day	.3389		
Qts. Buttermilk	29,276	.1687	4,940	3 day	.1550	4,541	399
				6 day	.1680		
1/2 Gals. 2%	101,781	.2965	30,177	3 day	.2800	28,600	1,577
				6 day	.3035		
1/2 Gals. Skim	21,216	.2852	6,050	3 day	.2600	5,529	521
				6 day	.2785		
Qts. Skim	11,371	.1601	1,820	3 day	.1555	1,768	52
				6 day	.1708		
1/2 Pts. Whip Cream	14,109	.2555	3,605	3 day	.2490	3,536	69
				6 day	.2720		
Pts. Half & Half	76,076	.2465	18,755	3 day	.2390	18,217	538
				6 day	.2480		
			\$ 331,014				\$ 318,932
							\$

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ZONE III

Prices as of May

Rockford Joliet Area

<u>Commodity</u>	<u>Yearly Usage</u>	<u>Borden Label Unit Cost (Average)</u>	<u>Borden Label Annual Cost</u>	<u>A & P Label Unit Cost</u>	<u>A & P Label Annual Cost</u>	<u>Differential Annual Basis</u>
Gals. Homo	50,353	.7305	\$ 36,781	.6960	\$ 35,048	\$ 1,733
1/2 Gals. Homo	251,507	.3645	91,676	.3480	87,533	4,143
Qts. Homo	63,076	.1907	12,029	.1810	11,423	606
Qts. Chocolate	13,919	.2403	3,345	.2330	3,241	104
1/2 Gals. Buttermilk	20,124	.3643	7,332	.3544	7,124	208
Qts. Buttermilk	30,957	.1893	5,859	.1810	5,599	260
1/2 Gals. 2%	97,725	.3347	32,708	.3230	31,564	1,144
1/2 Gals. Skim	25,116	.3306	8,303	.3080	7,731	572
Qts. Skim	15,600	.1789	2,791	.1695	2,652	139
1/2 Pts. Whip Cream	29,588	.2882	8,528	.2813	8,320	208
Pts. Half & Half	58,725	.2807	16,484	.2570	15,097	1,387
			\$ 225,836		\$ 215,332	\$ 10,504

Miscellaneous Area

<u>Commodity</u>	<u>Yearly Usage</u>	<u>Borden Label Unit Cost (Average)</u>	<u>Borden Label Annual Cost</u>	<u>A & P Label Unit Cost (Average)</u>	<u>A & P Label Annual Cost</u>	<u>Differential Annual Basis</u>
Gals. Homo	158,479	.6866	\$ 108,819	.6546	\$ 103,740	\$ 5,079
1/2 Gals. Homo	723,095	.3501	253,188	.3286	237,623	15,565
Qts. Homo	141,908	.1837	26,069	.1708	24,232	1,837
Qts. Chocolate	23,487	.2325	5,460	.2118	4,975	485
1/2 Gals. Buttermilk	30,264	.3580	10,833	.3316	10,036	797
Qts. Buttermilk	52,468	.1843	9,672	.1721	9,031	641
1/2 Gals. 2%	124,193	.3232	40,144	.3045	37,821	2,323
1/2 Gals. Skim	30,663	.3273	10,036	.2945	9,031	1,005
Qts. Skim	27,109	.1707	4,628	.1567	4,247	381
1/2 Pts. Whip Cream	48,967	.2917	14,283	.2623	12,814	1,439
Pts. Half & Half	156,381	.2742	42,883	.2462	38,497	4,386
			\$ 526,015		\$ 492,077	\$ 33,938

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ZONE V

Prices as of May 8.

Rock Island Area

Commodity	Yearly Usage	Borden Label Unit Cost (Average)	Borden Label Annual Cost	A & P Label Unit Cost	A & P Label Annual Cost	Differential Annual Basis
Gals. Homo	148,911	.6066	\$ 90,324	.5872	\$ 87,447	\$ 2,877
1/2 Gals. Homo	255,840	.3035	77,636	.2938	75,175	2,461
Qts. Homo	106,652	.1710	18,235	.1661	17,715	520
Qts. Chocolate	15,600	.1933	3,016	.1883	2,947	69
Qts. Buttermilk	28,617	.1714	4,905	.1666	4,767	138
1/2 Gals. 2%	87,013	.2743	23,868	.2646	23,019	849
1/2 Gals. Skim	37,613	.2627	9,880	.2531	9,516	364
Qts. Skim	22,585	.1573	3,553	.1523	3,432	121
1/2 Pts. Whip Cream	23,157	.2717	6,292	.2671	6,188	104
Pts. Half & Half	86,216	.2445	21,077	.2399	20,679	398
			\$ 258,786		\$ 250,885	\$ 7,901

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THE BORDEN COMPANY

CENTRAL DIVISION

Summary of Decreased A & P Private Label Cost

Area 1	\$345,584
Area 2	12,082
Area 3	10,504
Area 4	33,938
Area 5	<u>7,901</u>
Total	\$410,009

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ZONE 1Chicago and Calumet Area

<u>Commodity</u>	<u>Yearly Usage</u>	<u>Borden Label Unit Cost</u>	<u>Borden Label Annual Cost</u>	<u>A & P Label Unit Cost</u>	<u>A & P Label Annual Cost</u>	<u>Differential Annual Basis</u>
Gals. Homo Paper	773,327	.7371	\$ 570,024	.6860	\$ 530,504	\$ 39,520
1/2 Gals. Homo	5,321,403	.3685	1,960,937	.3430	1,825,235	135,702
Qts. Homo	2,194,591	.2000	438,915	.1855	407,091	31,824
Qts. Chocolate	163,037	.2437	39,728	.2387	38,913	815
1/2 Gals. Buttermilk	331,344	.3685	122,096	.3350	111,000	11,096
Qts. Buttermilk	542,083	.2000	108,420	.1720	93,238	15,182
1/2 Gals. 2%	612,231	.3453	211,397	.3220	197,149	14,248
1/2 Gals. Skim	515,996	.3453	178,169	.3200	165,119	13,050
Qts. Skim	445,587	.1917	85,419	.1600	71,294	14,125
1/2 Pts. Whip Cream	256,481	.3068	78,693	.2700	69,250	9,443
Pts. Half & Half	1,577,403	.2984	470,704	.2600	410,125	60,579
			\$ 4,264,502		\$ 3,919,956	\$ 345,584

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ZONE II
South Bend Area

Prices as of May 3

<u>Commodity</u>	<u>Yearly Usage</u>	<u>Borden Label Unit Cost (Average)</u>	<u>Borden Label Annual Cost</u>		<u>A & P Label Unit Cost</u>	<u>A & P Label Annual Cost</u>	<u>Differential Annual Basis</u>
Gals. Homo	129,272	.6305	\$ 81,501	3 day 6 day	.6090 .6640	\$ 78,884	\$ 2,617
1/2 Gals. Homo	493,064	.3203	157,907	3 day 6 day	.3080 .3355	152,412	5,495
Qts. Homo	97,431	.1694	16,501	3 day 6 day	.1630 .1760	15,929	572
Qts. Chocolate	10,400	.2166	2,253	3 day 6 day	.2156 .2516	2,253	-
1/2 Gals. Buttermilk	23,504	.3193	7,505	3 day 6 day	.3084 .3389	7,263	242
Qts. Buttermilk	29,276	.1687	4,940	3 day 6 day	.1550 .1680	4,541	399
1/2 Gals. 2%	101,781	.2965	30,177	3 day 6 day	.2800 .3035	28,600	1,577
1/2 Gals. Skim	21,216	.2852	6,050	3 day 6 day	.2600 .2785	5,529	521
Qts. Skim	11,371	.1601	1,820	3 day 6 day	.1555 .1708	1,768	52
1/2 Pts. Whip Cream	14,109	.2555	3,605	3 day 6 day	.2490 .2720	3,536	69
Pts. Half & Half	76,076	.2465	18,755	3 day 6 day	.2390 .2480	18,217	538
			\$ 331,014			\$ 318,932	\$ 12,082

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ZONE III

Prices as of May 2

Rockford Joliet Area

<u>Commodity</u>	<u>Yearly Usage</u>	<u>Borden Label Unit Cost (Average)</u>	<u>Borden Label Annual Cost</u>	<u>A & P Label Unit Cost</u>	<u>A & P Label Annual Cost</u>	<u>Differential Annual Basis</u>
Gals. Homo	50,353	.7305	\$ 36,781	.6960	\$ 35,048	\$ 1,733
1/2 Gals. Homo	251,507	.3645	91,676	.3480	87,533	4,143
Qts. Homo	63,076	.1907	12,029	.1810	11,423	606
Qts. Chocolate	13,919	.2403	3,345	.2330	3,241	104
1/2 Gals. Buttermilk	20,124	.3643	7,332	.3544	7,124	208
Qts. Buttermilk	30,957	.1893	5,859	.1810	5,599	260
1/2 Gals. 2%	97,725	.3347	32,708	.3230	31,564	1,144
1/2 Gals. Skim	25,116	.3306	8,303	.3080	7,731	572
Qts. Skim	15,600	.1789	2,791	.1695	2,652	139
1/2 Pts. Whip Cream	29,588	.2882	8,528	.2813	8,320	208
Pts. Half & Half	58,725	.2807	16,484	.2570	15,097	1,387
			\$ 225,836		\$ 215,332	\$ 10,504

37 D

681a

ZONE IV

Prices as of May 8

Miscellaneous Area

<u>Commodity</u>	<u>Yearly Usage</u>	<u>Borden Label Unit Cost (Average)</u>	<u>Borden Label Annual Cost</u>	<u>A & P Label Unit Cost (Average)</u>	<u>A & P Label Annual Cost</u>	<u>Differential Annual Basis</u>
Gals. Homo	158,479	.6866	\$ 108,819	.6546	\$ 103,740	\$ 5,079
1/2 Gals. Homo	723,095	.3501	253,188	.3286	237,623	15,565
Qts. Homo	141,908	.1837	26,069	.1708	24,232	1,837
Qts. Chocolate	23,487	.2325	5,460	.2118	4,975	485
1/2 Gals. Buttermilk	30,264	.3580	10,833	.3316	10,036	797
Qts. Buttermilk	52,468	.1843	9,672	.1721	9,031	641
1/2 Gals. 2%	124,193	.3232	40,144	.3045	37,821	2,323
1/2 Gals. Skim	30,663	.3273	10,036	.2945	9,031	1,005
Qts. Skim	27,109	.1707	4,628	.1567	4,247	381
1/2 Pts. Whip Cream	48,967	.2917	14,283	.2623	12,844	1,439
Pts. Half & Half	156,381	.2742	42,883	.2462	38,497	4,386
			\$ 526,015		\$ 492,077	\$ 33,938

37E

682a

ZONE V

Prices as of May 2

Rock Island Area

<u>Commodity</u>	<u>Yearly Usage</u>	<u>Borden Label Unit Cost (Average)</u>	<u>Borden Label Annual Cost</u>	<u>A & P Label Unit Cost</u>	<u>A & P Label Annual Cost</u>	<u>Differential Annual Basis</u>
Gals. Homo	148,911	.6066	\$ 90,324	.5872	\$ 87,447	\$ 2,877
1/2 Gals. Homo	255,840	.3035	77,636	.2938	75,175	2,461
Qts. Homo	106,652	.1710	18,235	.1661	17,715	520
Qts. Chocolate	15,600	.1933	3,016	.1883	2,947	69
Qts. Buttermilk	28,617	.1714	4,905	.1666	4,767	138
1/2 Gals. 2%	87,013	.2743	23,868	.2646	23,019	849
1/2 Gals. Skim	37,613	.2627	9,880	.2531	9,516	364
Qts. Skim	22,585	.1573	3,553	.1523	3,432	121
1/2 Pts. Whip Cream	23,157	.2717	6,292	.2671	6,188	104
Pts. Half & Half	86,216	.2445	21,077	.2399	20,679	398
			\$ 258,786		\$ 250,885	\$ 7,901

CX 42 A

THE BORDEN COMPANYCENTRAL DIVISIONEstimate of Gross Profit LossRe: Chicago Metropolitan Region's OperationBased on Loss of A & P's Fluid Milk BusinessTotal A & P Fluid Milk Point Sales - 6th Period3,356,772Total Gross Margin Contribution Per Point -Wholesale Route Sales
(Based on analysis made 5th period).0632Deduct: Estimated Reduction in Direct Cost if A & P
Volume Was Lost

Route Salesmen's Salaries & Commission

.0171

Route Salesmen's Fringe Benefits

.0037

Loading Expense

.0051

Truck Expense

.0049Total Direct Cost Reduction Per Point.0308Estimated Reduction in Gross Profit Per Point.0324Estimate Amount of Reduction in Gross Profit $(3,356,772 \times \$.0324 =)$ \$108,759Add: Loss in Plant Fixed Cost Absorption21,349 $(3,356,772 \times \$.00636 - \text{Woodstock Fixed Cost})$ Total Estimated Reduction in Gross Profit\$130,108 $\times 12 \text{ months}$ \$1,561,301

Note: The estimated reduction in gross profit indicated above is the equivalent of \$1,691,404 annually, which compares to the private label price reduction quoted of \$410,009.

8/16/65

THE BORDEN COMPANY
CENTRAL DIVISION

COMPARISON OF CLASS I BASIC MILK PRICE PER CWT.

JUNE - AUGUST, 1965

<u>Area and Order No.</u>	<u>June</u>	<u>August</u>	<u>Increase</u>
Chicago - Federal Order 30 - Superpool Area	\$4.32	\$4.32	-
Chicago - Federal Order 30 - Non-Superpool Area	3.78	4.17	\$.39
Rockford - Federal Order 38 - Superpool	4.00	4.09	.09
Milwaukee - Federal Order 39 - Superpool	4.20	4.20	-
Milwaukee - Federal Order 39 - Non-Superpool	3.66	4.05	.39
Rock Island - Federal Order 63 - Non-Superpool	3.88	4.27	.39
Marshalltown - Federal Order 78 - Non-Superpool	3.83	4.22	.39
Des Moines - Federal Order 79 - Non-Superpool	4.17	4.56	.39

8/16/65

THE BORDEN COMPANY
CENTRAL DIVISION

ANALYSIS OF PRODUCTION EXPENSE
WOODSTOCK, ILLINOIS PLANT

5TH PERIOD - 1965

	<u>Total</u>	<u>Allocated to</u> <u>Variable</u>	<u>Fixed</u>
Wage Costs	\$107,273	\$ 75,975	\$31,298
All Other Costs	<u>69,905</u>	<u>19,759</u>	<u>50,146</u>
<u>Total</u>	<u>\$177,178</u>	<u>\$ 95,734</u>	<u>\$81,444</u>
Per Cent to Total	<u>100.00</u>	<u>54.03</u>	<u>45.97</u> ✓
Points Produced	<u>12,809,895</u>		
Average Per Point Produced	<u>.01383</u>	<u>.00747</u>	<u>.00636</u>

8/16/65

THE BORDEN COMPANY
CENTRAL DIVISION

DATA - RE: A & P SALES - FLUID MILK
BASED ON 6TH PERIOD ENDED JUNE 26

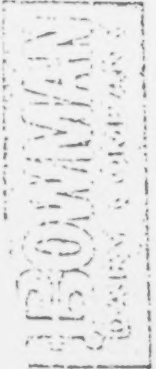
(1) Percentage of A & P Sales to
Total Sales - Central Division - Points Sold

Region	Central Division Sales			Percent of A&P Sales	
	Total A&P Volume	Grand Total	Wholesale Rte. Sales Only	To:	
				Grand Total	Wholesale Rte. Sales
Chicago Metropolitan	3,356,772	13,291,969	(116,027,418	25.2	55.7
Eastern Iowa-Central Illinois	743,085	4,248,423	2,580,398	17.5	28.8
Western Iowa	9,618	3,254,249	771,840	.3	1.2
Wisconsin	851,751	8,755,366	3,536,438	9.7	24.1
Grand Total	4,961,226	29,550,007	12,916,094	16.8	38.4

(1) Excludes bulk route sales of 1,209,267 points.

(2) Percentage of A & P Sales Produced at Woodstock
to Total Woodstock Production - Points

Total A & P Sales Produced at Woodstock	3,199,956
Total Woodstock Production	12,622,079
Percent of A & P Sales Produced at Woodstock to Total Woodstock Production	25.3%



687a

20 ft.
100 7500 6000
921-2532

EXECUTIVE OFFICE: 291 NORTH WELLS STREET CHICAGO, ILLINOIS 60606 TELEPHONE 312: 645-6222

August 31, 1965

Mr. E. R. Schmidt, Buyer
The Great Atlantic & Pacific Tea Co., Inc.
Middle West Division
2622 North Pulaski Road
Chicago, Illinois 60639

Dear Mr. Schmidt:

Thank you for the opportunity to offer our price quotations according to your specifications. They are attached herewith for the following areas on fluid milk products only. (Cottage Cheese, separate.)

These quotations were developed by our accountants on an estimated total dollar volume of approximately one million dollars* per month (26 delivery days) using Chicago list prices. A substantial increase or decrease in the size of your order (compared to the assumption of dollar volumes set forth above) would affect these prices and I would appreciate an opportunity to discuss with you a) the areas involved b) the dollar volume and c) the resultant prices.

AREA:

1. Metropolitan Chicago
2. Northwestern Illinois
3. North Central Illinois
4. Indiana
5. Iowa

Each bid on the above areas consists of the following substantiating materials:

1. Map Indicating Location of Stores
2. Cost Plus Pricing Schedule for the Bowman Label and the A & P Label Brands
3. Standard Direct Product Cost - Chicago Plant
4. Selling and Delivery Expenses - Per Route Day

Lower - 2000

688a

Mr. E. R. Schmidt

August 31, 1965

These price quotations would only change as follows:

1. Increase or decrease in Federal Fluid Milk Market Order.
2. Increase or decrease in container costs.
3. Labor increases.

Costs not considered in these quotations are as follows:

1. Return of out-dated or sour merchandise.
2. Merchandising of stores and point-of-sale materials.
3. Call-backs (straight-line delivery service only was considered).

I am enclosing a history of the period of time that we served the A & P Company. This substantiates that we contributed to A & P's progress for the last eleven years that we had the privilege of servicing your stores.

We are looking forward to a resumption of business with your fine corporation in the very near future.

Sincerely,

Frank T. Cannon Sr.

FTC:rt
enc.

Frank T. Cannon, Sr.
General Manager - Wholesale

PRICE ESCALATION ON MILK ORDER PRICES **689a**

Chicago area prices are quoted on the basis of the present Order Number 30 price plus a super pool which totals \$4.32 per CWT. for 3.5% Class I Milk Products.

Iowa area prices are quoted on the basis of Order Number 63 price plus a super pool which totals \$4.37 per CWT. for 3.5% Class I Milk Products.

Each change of 5-cents per CWT. will increase or decrease quoted prices by 1/8 cent per point for each product.

In the event that stores are served in areas where there is no Federal Milk Order or where the super pool price is not effective, we will adjust quoted prices in that area.

LABOR PRICES

Quoted prices will be adjusted for any changes in Union labor rates or changes in Federal Payroll taxes.

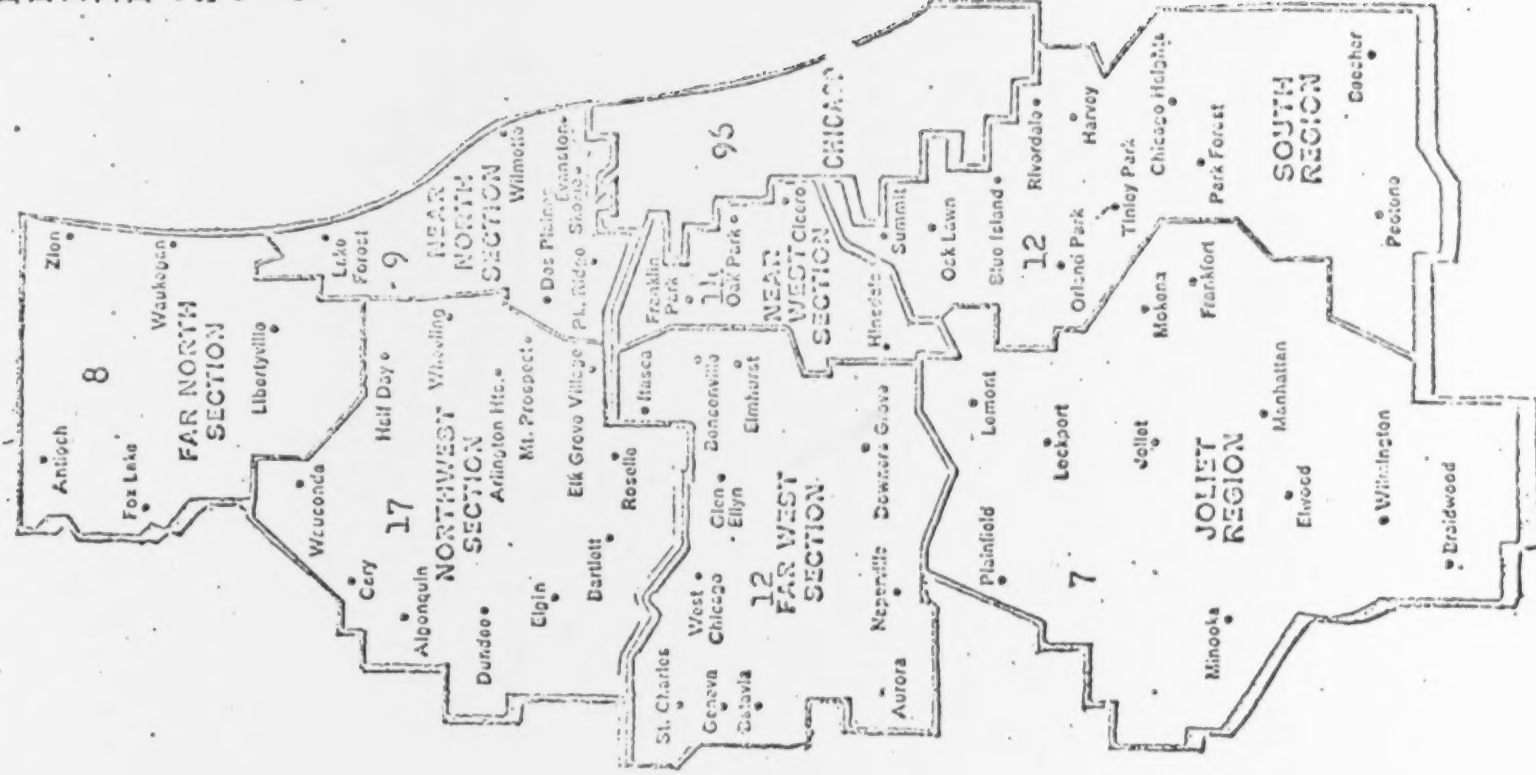
Container Costs

Quoted prices will be adjusted for any changes in the purchase cost for containers used.

4

METROPOLITAN CHICAGO AREA

SECTION	STORES
Far North	8
Near North	17
Northwest	9
Far West	12
Near West	14
Joliet	7
South	12
Chicago	96
Total	<u>175</u>



$$\begin{array}{r} 35 \\ 62 \overline{) 97} \\ \underline{62} \\ 35 \end{array}$$


692a

AREA A

STORES IN
METROPOLITAN CHICAGO AREAFAR NORTH REGION

ANNPICH 1
FOX LAKE 1
LIBERTYVILLE 1
MUNDELEIN 1
WAUKEGAN 3
ZION 1

TOTAL

8NEAR NORTH REGION

DES PLAINES
EVANSTON
GLENVIEW
HIGHLAND PARK
HIGHWOOD
LAKE BLUFF
LAKE FOREST
NILES
NORTHBROOK
PARK RIDGE
SKOKIE
WILMETTE
WINNETKA

TOTAL

17NORTHWEST REGION

ARLINGTON HTS. 2
BARRINGTON 1
DUNDEE 1
ELGIN 1
MT. PROSPECT 1
PALATINE 1
SCHUMBURG 1
WAUCONDA 1

TOTAL

9NEAR WEST REGION

BERWYN
BROOKFIELD
CICERO
FRANKLIN PARK
LA GRANGE
MAYWOOD
NORRIDGE
OAK PARK
WESTERN SPRINGS

TOTAL

14FAR WEST REGION

AURORA
BATAVIA
BENSENVILLE
DOWNERS GROVE
ELMHURST
GLEN ELLYN
LOMBARD
NAPERVILLE
ST. CHARLES
VILLA PARK
WHEATON

TOTAL

12JOLIET REGION

JOLIET 6
LOCKPORT 1

TOTAL

7SOUTH REGION

BLUE ISLAND 1
CHICAGO HTS. 2
CHICAGO RIDGE 1
DOLTON 1
EVERGREEN PARK 1
HARVEY 1
HOMERWOOD 1
MIDLOTHIAN 1
OAK LAWN 1
RIGHTON PARK 1
SUMMIT 1

TOTAL

12CITY OF
CHICAGO REGION

TOTAL

95

STORES IN
NORTHWESTERN ILLINOIS

Crystal Lako	1
Warren	1
Freeport	1
Pecatonica	1
Rockford	5
Loves Park	1
Belvidero	1
Marengo	1
Woodstock	1
McHenry	1
Mt. Carroll	1
Lanark	1
Mt. Morris	1
Polo	1
Sterling	1
Dixon	1
Rochelle	1
DeKalb	1
Mendota	1
Sandwich	1
Total	<u>24</u>



17

This is a detailed black and white map of the Los Angeles area. The map shows a dense network of roads, including major freeways and local streets. Key locations labeled include Los Angeles, Long Beach, Torrance, Compton, and various surrounding cities. The map also depicts geographical features like the San Gabriel River and the Los Angeles River. Major airports are marked, including Los Angeles International Airport and Long Beach Airport. The map is oriented with North at the top.

NET PRICES - METROPOLITAN CHICAGO - NORTHWESTERN AND NORTH CENTRAL ILLINOIS

695a

STORE SERVICE SIX DAYS WEEKLY

3393	SCHEDULE 1							
	DIRECT COST FOR CHICAGO AREA PLANT	MARKUP *	NET PRICE AT CHICAGO AREA PLANT	DIRECT VANNING COS TO SALES AREA	Direct Cost of delivery per point	COMMISSION	NET DELIVERED PRICE SIX DAY RT.	
1. HOMO. V.D.	.1302	.0081	.1383	.0025	.0206	.0082	.1696	
GAL. HOMO. V.D. (GLASS)								
GAL. HOMO. V.D. (FIBER)	.2390	.0119	.2509	.0051	.0412	.0164	.3136	
1. HOMO. V.D. -GLASS	.4402	.0252	.4654	.0146	.0824	.0328	.5452	
XL. HOMO. V.D. -FIBER	.4878	.0141	.5019	.0101	.0824	.0328	.6272	
S. FOW-CAL								
. SOURED HALF & HALF	.2385	.0275	.2660	.0028	.0206	.0082	.2976	
. HALF & HALF	.2014	.0180	.2194	.0014	.0206	.0082	.2476	
S. RICH CREAM								
. RICH CREAM								
1 PT. RICH CREAM								
S. WHIP CREAM								
1 PT. WHIP CREAM	.2083	.0180	.2263	.0009	.0206	.0082	.2550	
QUICK-WHIP* DISPENSER	.2742	.0353	.3095	.0009	.0206	.0082	.3392	
1001 WHIP* DISPENSER.	.4075	.0178	.4253	.0009	.0206	.0082	.4550	
10101 WHIP* DISP. - PTS.	.1445	.0109	.1554	.0014	.0206	.0082	.1856	
S. SOUR CREAM	.3001	.0375	.3376	.0112	.0412	.0164	.4064	
2 PTS. SOUR CREAM /	.1486	.0250	.1736	.0056	.0206	.0082	.2080	
2 GAL. BUTTERMILK	.2259	.0250	.2509	.0051	.0412	.0164	.3136	
S. BUTTERMILK	.1003	.0156	.1159	.0025	.0206	.0082	.1472	
S. DARI-RICH /	.1617	.0150	.1767	.0025	.0206	.0082	.2080	
2 PTS. DARI-RICH CARRY-PACK								
2 PTS. CHOCOLATE SHAKE	.0591	.0095	.0686	.0009	.0052	.0021	.0768	
2 GAL. STA-FIT	.2131	.0250	.2381	.0051	.0412	.0164	.2998	
1. STA-FIT	.1163	.0156	.1319	.0025	.0206	.0082	.1682	
2 GAL. 2%	.2106	.0211	.2317	.0051	.0412	.0164	.2944	
2 GURT (Plain & Strawberry)	.1425	.0006	.1431	.0009	.0206	.0082	.1728	
NACK DIP - 502.	.2458	.0045	.2503	.0009	.0206	.0082	.2800	

CLASS I PRICE - 4.32 per CWT.

* Overhead & profit (approx 6%)

36-8-31-65
696a

SCHEDULE 1

STANDARD DIRECT PRODUCT COSTS - CHICAGO PLANTS

	RAW MERCHANDISE COST FOB CHICAGO PLANT	BOTTLING PLANT LABOR AND EXPENSE	CONTAINERS	TOTAL DIRECT COSTS FOB CHICAGO PLANT
QTS. HOMO. V.D.	.0926	.0154	.0162	.1302
1/2 GAL. HOMO. V.D. (GLASS)				
1/2 GAL. HOMO. V.D. (FIBER)	.1971	.0129	.0290	.2390
GAL. HOMO. V.D. - GLASS	.3942	.0279	.0181	.4402
GAL. HOMO. V.D. - FIBER	.3942	.0221	.0615	.4778
QTS. LOW-CAL				
PTS. SOURED HALF & HALF	.1202	.0690	.0493	.2385
PTS. HALF & HALF	.1201	.0698	.0115	.2014
QTS. RICH CREAM				
PTS. RICH CREAM				
1/2 PT. RICH CREAM				
QTS. WHIP CREAM				
1/2 PT. WHIP CREAM	.1469	.0505	.0089	.2063
QUICK-WHIP DISPENSER	.2717	.0025	-	.2742
REDDI WHIP DISPENSER	.11050	.0025	-	.11075
Boston Blend Pints	.1420	.0025	-	.1445
PTS. SOUR CREAM	.1666	.0904	.0431	.3001
1/2 PTS. SOUR CREAM	.0833	.0405	.0348	.1586
1/2 GAL. BUTTERMILK	.1301	.0668	.0200	.2169
QTS. BUTTERMILK	.0651	.0190	.0162	.1003
QTS. DARI-RICH	.1043	.0412	.0162	.1617
1/2 PTS. DARI-RICH CARRY PACK				
1/2 PTS. CHOCOLATE SHAKE	.0403	.0089	.0099	.0591
1/2 GAL. STA-FIT	.1312	.0529	.0290	.2131
QT. STA-FIT	.0656	.0245	.0162	.1063
1/2 GAL. 2%	.1672	.0141	.0290	.2103
YOGURT (Plain & Strawberry)	.1400	.0025	-	.1425
SNACK DIP - 8 oz	.2433	.0025	-	.2458

CLASS II PRICE - 4.32 per CWT.

AREA MAP B

INDIANA STORES

WEST

Whiting
Hammond
Munster
E. Chicago
Gary
Michigan City
Portage
Hobart
Valparaiso
Chesterton

EAST

North Judson
La Porto
Walkerton
Knox
South Bend
Culver
Mishawaka
Elkhart
Goshen

1 3 1 2 6 1 1 1 1 1 1

18

1 1 1 1 8 1 1 2 1

17



#36 - 3/31/65
698a

EXHIBIT B

NET PRICES-INDIANA AREA
STORE SERVICE THREE DAYS WEEKLY

	SCHEDULE 1 DIRECT COST FOB CHICAGO AREA PLANT	MARKUP	NET PRICE AT CHICAGO AREA PLANT	DIRECT VANNING COST TO SALES AREA	Direct Cost of delivery per point	Commission	NET DELIVERED PRICE-THREE DAYS WEEKLY
QTS. HOMO. V.D.	.1302	.0081	.1383	.0255	.0134	.0052	.1624
1/2 GAL. HOMO. V.D. (GLASS)							
1/2 GAL. HOMO. V.D. (PISER)	.2292	.0119	.2509	.0112	.0268	.0134	.2993
GAL. HOMO. V.D. - GLASS	.4802	.0252	.5054	.0321	.0536	.0308	.5719
GAL. HOMO. V.D. - FIBER	.4828	.0141	.5019	.0321	.0536	.0308	.5784
QTS. LOW-CAL							
PIS. SOURD HALF & HALF	.2385	.0325	.2662	.0061	.0134	.0052	.2907
PIS. HALF & HALF	.2014	.0180	.2194	.0061	.0134	.0052	.2441
QTS. RICH CREAM							
PIS. RICH CREAM							
1/2 PT. RICH CREAM							
QTS. WHIP CREAM							
1/2 PT. WHIP CREAM	.2083	.0180	.2263	.0020	.0134	.0052	.2469
"CLICK-WHIP" DISPENSER	.2742	.0353	.3095	.0220	.0134	.0052	.3301
"WOOD-WIP" DISPENSER	.4025	.0172	.4197	.0220	.0134	.0052	.4459
Boston Blend - PIS	.1445	.0109	.1554	.0031	.0134	.0052	.1771
PIS. SOUR CREAM	.3001	.0325	.3326	.0183	.0268	.0104	.3899
1/2 PIS. SOUR CREAM	.1486	.0250	.1736	.0112	.0134	.0052	.2039
1/2 GAL. BUTTERMILK	.2259	.0250	.2509	.0112	.0268	.0104	.2943
QTS. BUTTERMILK	.1003	.0156	.1159	.0055	.0134	.0052	.1400
QTS. DANI-RICH	.1617	.0150	.1767	.0055	.0134	.0052	.2008
1/2 PIS. DANI-RICH CARRY PACK							
1/2 PIS. CHOCOLATE SHAKE	.0591	.0055	.0646	.0020	.0034	.0013	.0753
1/2 GAL. STA-FIT	.2131	.0250	.2381	.0112	.0268	.0104	.2865
QT. STA-FIT	.1153	.0156	.1319	.0055	.0134	.0052	.1560
1/2 GAL. 2%	.2106	.0211	.2317	.0112	.0268	.0104	.2801
YOGURT (Plain & Strawberry)	.1425	.0066	.1431	.0020	.0134	.0052	.1637
SNACK DIP - 8 0%	.2458	.0245	.2503	.0020	.0134	.0052	.2709

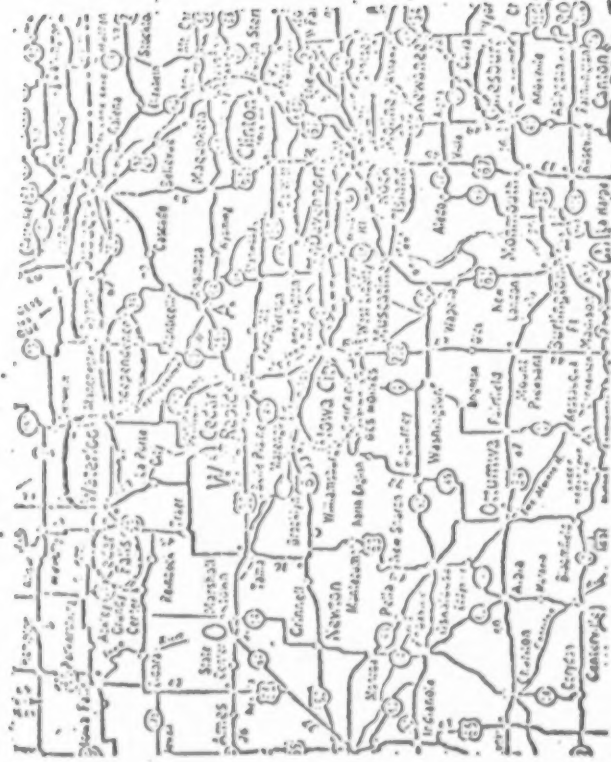
CLASS I PRICE - 4.32 per CWT.

698a-1

AREA MAP E

STORES IN
IOWA REGION

Independence	1
Dyersville	1
Cedar Rapids	1
Clinton	1
Davenport	2
Dubuque	2
Moline, Ill.	2
Waterloo	2
Cedar Falls	1
Savanna, Ill.	1
Rock Island, Ill.	1
Iowa City	1
Goneseo, Ill.	1
Galesburg	2
Total	<u>21</u>



m

Last Column represents grants
on Q & P

Diff of expense \$3,000. - private
Label & Q & P

Admin & other living persons

9/23/65

EXHIBIT C-1

IOWA AREA - 3 DAY DELIVERY

	LIST	PRICE	NET	PRICE	
	COMPANY BRAND	PRIVATE LABEL	COMPANY BRAND	PRIVATE LABEL	
QTS. HOMO. V.D.	.25	.2425	.1850	.1795	.1624
1/2 GAL. HOMO. V.D. (GLASS)					
1/2 GAL. HOMO. V.D. (FIBER)	.45	.4350	.3330	.3219	.2993
GAL. HOMO. V.D. - GLASS	.80		.5920		.5719
GAL. HOMO. V.D. - FIBER	.90	.87	.6660	.6438	.5984
QTS. BOW-CAL					
PTS. SOURED HALF & HALF	.44		.3256		.2907
PTS. HALF & HALF	.35		.2590		.2441
QTS. RICH CREAM					
PTS. RICH CREAM					
1/2 PT. RICH CREAM					
QTS. WHIP CREAM					
1/2 PT. WHIP CREAM	.40	.39	.2960	.2886	.2469
QUICK-WHIP DISPENSER					
FEDDI WIP DISPENSER					
GALS 2% - FIBER	.84	.81	.6216	.5994	.5544
PTS. SOUR CREAM	.55		.4070		.3931
1/2 PTS. SOUR CREAM	.31		.2294		.2039
1/2 GAL. BUTTERMILK		.445		.3293	.2993
QTS. BUTTERMILK	.255	.2425	.1887	.1832	.1400
QTS. DARI-RICH WHOLE MILK	.285	.2725	.2109	.2054	.1881
1/2 PTS. DARI-RICH CARRY PACK					
1/2 PTS. CHOCOLATE SHAKE				.0768	.0753
1/2 GAL. STA-FIT	.395	.38	.2923	.2812	.2865
QT. STA-FIT	.23	.225	.1702	.1665	.1560
1/2 GAL. 2%	.42	.405	.3108	.2997	.2801
YOGURT (Plain & Strawberry)	.255		.1887	.1728	.1637
SNACK DIP 8 OZ.				.28	.2709
1/2 GAL. FRUIT OR	.37		.2738		.2442

Milk Order Price 4.27 per CWT

Super Pool 10

36 - 8/31/65

EX 111

IOWA AGRICULTURE - 2 GAL. 1000000000

BOWMAN DAIRY COMPANY PRICES ON FILE WITH THE IOWA MILK COMMISSION

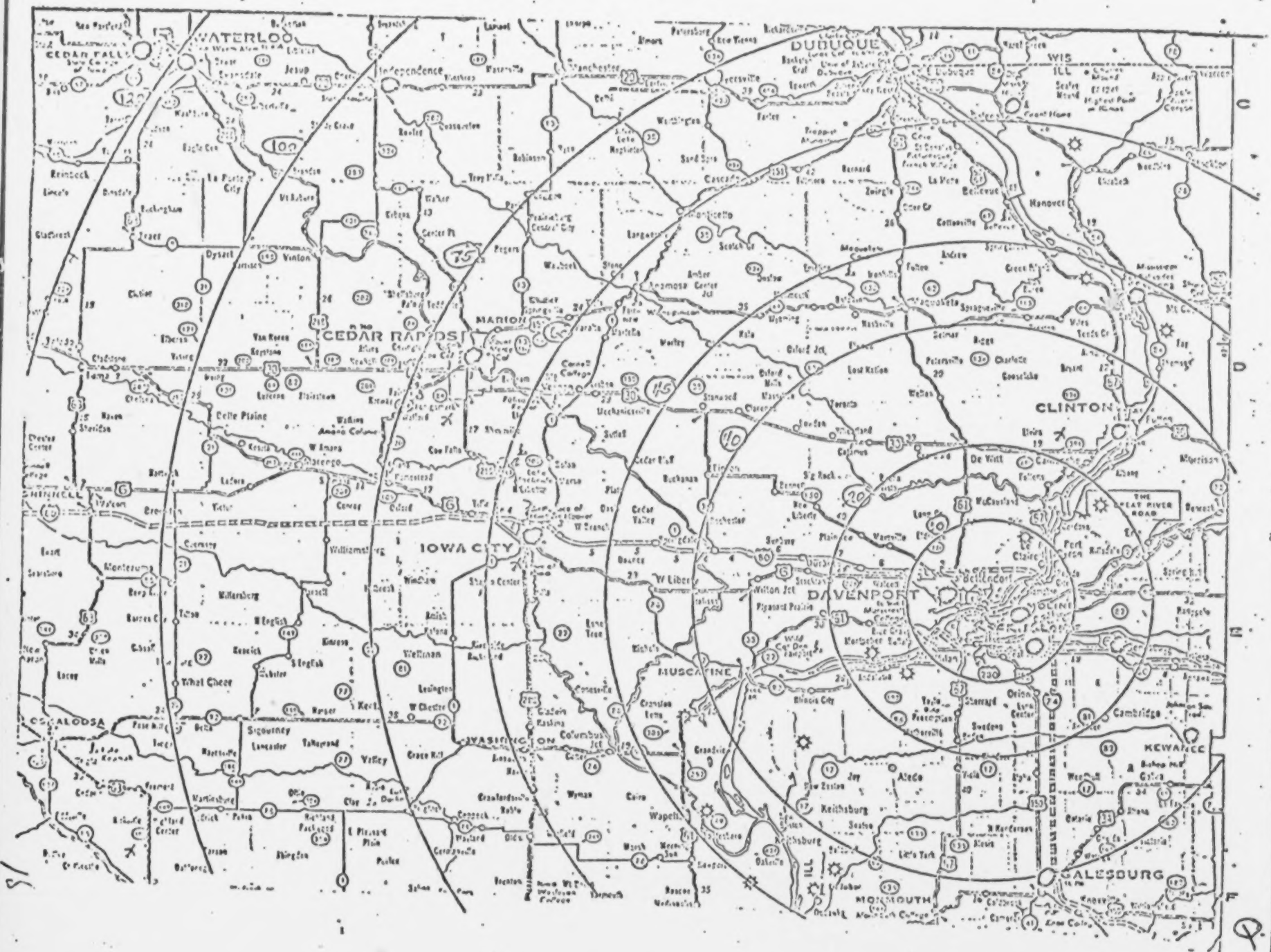
701a

	LIST		PRICE		NET		PRICE
	COMPANY BRAND	PRIVATE LABEL			COMPANY BRAND	PRIVATE LABEL	
QTS. HOMO. V.D.	.25	.2425			.1850	.1748	
1/2 GAL. HOMO. V.D. (GLASS)							
1/2 GAL. HOMO. V.D. (FIBER)	.45	.4350			.3850	.3219	
GAL. HOMO. V.D. - GLASS	.80				.5920		
GAL. HOMO. V.D. - FIBER	.90	.87			.6660	.6438	
QTS. BOW-CAL							
PTS. SOURED HALF & HALF	.44				.3256		
PTS. HALF & HALF	.35				.2590		
QTS. RICH CREAM							
PTS. RICH CREAM							
1/2 PT. RICH CREAM							
QTS. WHIP CREAM							
1/2 PT. WHIP CREAM	.40	.39			.2960	.2886	
"QUICK-WHIP" DISPENSER							
"REDDI WHIP" DISPENSER							
GALS 2% - FIBER	.84	.81			.6216	.5994	
PTS. SOUR CREAM	.55				.4070		
1/2 PTS. SOUR CREAM	.31				.2294		
1/2 GAL. BUTTERMILK		.445				.3219	
QTS. BUTTERMILK	.255	.2475			.1887	.1833	
QTS. DARI-RICH - WHOLE MILK	.285	.2775			.2109	.2054	
1/2 PTS. DARI-RICH CARRY PACK							
1/2 PTS. CHOCOLATE SHAKE							
1/2 GAL. STA-FIT	.395	.38			.2428	.2313	
QT. STA-FIT	.23	.225			.1702	.1665	
1/2 GAL. 2%	.42	.405			.3108	.2997	
YOGURT (Plain & Strawberry)	.255				.1887		
SNACK DIP							
1/2 GAL. FRUIT DR.	.37				.2738		
QTS. STRAWBERRY DRINK							
PKS. CREAM COTTAGE CHEESE - 8 OZ.							
PKGS. CREAM COTT. CHS. - 16 OZ.							
PKGS. CREAM COTT. CHS. - 32 OZ.							
PKGS. CHIVE COTT. CHS. - 16 OZ.							
PKGS. PINEAPPLE COTT. CHS. 16 OZ.							
PKGS. BAKERS COTT. CHS. - 16 OZ.							
SNACK DIP 8 OZ.							
1/2 GAL. FRUIT DRINKS							

MILK ORDER PRICE
SUPER POOL4.27 EW
.10

702a

IOWA AREA MAP E-1



36 - 8/31/65

EXHIBIT D

703a

NET DELIVERED PRICES

	STANDARD LIST PRICE TO CHAIN STORE	NET PRICES		
		ALL STORES	70% OF STORES	50% OF STORES
QTS. HOMO. V.D.	.265	.1696	.1742	.1749
1/2 GAL. HOMO. V.D. (GLASS)				
1/2 GAL. HOMO. V.D. (FIBER)	.49	.3136	.3222	.3234
GAL. HOMO. V.D. - GLASS	.93	.5952	.6115	.6138
GAL. HOMO. V.D. - FIBER	.98	.6272	.6444	.6468
QTS. BOW-CAL				
PTS. SOURED HALF & HALF	.415	.2976	.3057	.3069
PTS. HALF & HALF	.39	.2496	.2564	.2574
QTS. RICH CREAM				
PTS. RICH CREAM				
1/2 PT. RICH CREAM				
QTS. WHIP CREAM				
1/2 PT. WHIP CREAM	.110	.2560	.2630	.2640
"QUICK-WHIP" DISPENSER	.53	.3392	.3485	.3498
"REDDI WIP" DISPENSER X	.535	.4550	.4530	.4550
PTS. BORDEN BLEND	.29	.1856	.1907	.1914
PTS. SOUR CREAM	.635	.4064	.4175	.4191
1/2 PTS. SOUR CREAM	.325	.2080	.2137	.2145
1/2 GAL. BUTTERMILK	.49	.3136	.3222	.3234
QTS. BUTTERMILK	.23	.1472	.1512	.1518
QTS. DARI-RICH	.325	.2080	.2137	.2145
1/2 PTS. DARI-RICH CARRY PACK				
1/2 PTS. CHOCOLATE SHAKE	.12	.0768	.0789	.0792
1/2 GAL. STA-FIT	.47	.3008	.3090	.3102
QT. STA-FIT	.255	.1632	.1677	.1683
1/2 GAL. 2%	.66	.2944	.3025	.3036
YOGURT (Plain & Strawberry)	.27	.1728	.1775	.1782
SNACK DIP - 8" 0.2 X	.40	.2800	.2800	.2800

CLASS I PRICE - 4.32 per CWT

R

[illegible][illegible]

1965

25

Items Having Price Change Since Last Notification Are Marked "X"

2. 5.

129

MILK

2 MILLION QUARTS TO THE INCH

QUARTS

0 2 4 6 8 10 12 14 16 18 20

Year	Value
1957	11,702,100
1956	11,001,535
1955	8,472,728
1954	8,415,160
1953	7,472,728
1952	5,956,974
1951	5,303,942
1950	4,838,220
1949	4,005,744
1948	3,687,496
1947	3,505,803
1946	2,971,317

GALLONS JUGS & ½ GALLONS CONVERTED TO QUARTS

TOTAL UNITS SOLD

FOR 13 PERIOD OR 52 WEEKS

Account Rich Ltd.
 Freight & Insurance
 Jan 41-01

YEAR	MILK	CREAM	BUTTERMILK	TOTAL	COTTAGE CHEESE
1957	11,702,100	3,510,298	654,201	15,866,599	6,228,824
1956	11,001,565	3,603,192	5,406,57	15,150,414	6,316,580
1955	8,940,443	3,103,356	5,527	12,409,326	5,911,713
1954	8,415,160	2,734,004	4,176	11,533,340	5,430,932
1953	7,472,723	2,435,627	3,193,29	10,257,695	4,725,240
1952	5,956,974	2,143,939	3,21,727	8,422,640	4,192,391
1951	5,303,942	2,104,218	3,22,743	7,730,903	3,856,381
1950	4,833,220	2,132,793	1,06,479	7,167,492	3,867,012
1949	4,005,744	1,952,051	1,73,349	6,131,144	3,582,106
1948	3,687,496	1,905,284	1,38,427	5,731,207	3,230,242
1947	3,505,806	1,830,276	1,40,162	5,476,244	2,086,226
1946	2,971,317	1,528,855	1,19,340	4,619,512	2,496,073

7073

COTTAGE CHEESE

1 MILLION POUNDS TO
THE INCH

POUNDS

0 1 2 3 4 5 6 7 8 9 10

1957											6,228,824
1956											6,316,580
1955											5,911,715
1954											5,430,932
1953											4,725,240
1952											4,192,391
1951											3,856,381
1950											3,867,012
1949											3,582,106
1948											3,230,242
1947											2,806,226
1946											2,496,078

IX

CX 53 A

~~5:10~~
5:10 p.m.

Two just back
Schmidt

2 other quoted

Bauman } both substantially
Wanger } below Bardens.

~~R.R.M.~~
9/11/65
Phone call to [unclear]

No help from A+P in other comp. quotes

Spec ~~price~~ information we
do - if cost \$5000⁰⁰ would
not come close.

If spread eliminated our cost
would be \$9000

We are getting other bid
"Is bad and figure out what
the cost is worth - I mean"

Can wait until after
Labor day

71c a

54 A.

5/2/6

Pr: 4.7. Private Label

Development of Estimated Cost Data
and Comparison of that
Costs with Budgeted Costs

Sh. Hindu Company
Central Province
Karn: K. A. P. Chandra. Chandra

54B

[illegible]

712a

A

September 14, 1965.

THE BORDEN COMPANY
Central Division

Price Quotation Data covering
A & P Private Label Fluid Milk Products
in

A & P Areas No. 1, 2, 3, 4 & 5.

713a

THE BORDEN COMPANY
Central Division

9-14-65

Summary of Estimated Annual Quotation Differentials

<u>Area</u>	<u>Annual Value for Borden Label</u>	<u>Annual Value for A & P Label</u>	<u>Annual Quotation Differential</u>
Zone #1-Chicago and Calumet	\$5,134,934	\$4,428,008	\$706,926
Zone #2-South Bend Area	331,043	307,522	23,521
Zone #3-Rockford-Joliet Area	225,836	199,635	26,201
Zone #4-Miscellaneous Area	525,969	470,809	55,160
Zone #5-Rock Island Area	273,254	265,057	8,197
Total	<u>\$6,491,036</u>	<u>\$5,671,031</u>	<u>\$820,005</u>

714a

9-14-65

THE BORDEN COMPANY
Central Division

Estimated Annual Quotation Differentials - Zone #1 (Chicago-Calumet)

Item	Size	Annual Usage In Units	Borden Label Unit Prices Week 5-8-65	Annual Value for Borden Label	A&P Label Unit Quotations	Annual Value for A & P Label	Annual Differential
Homo V.D. Milk	Glass Gallons	999,752	\$.6981	\$697,927	\$.6060	\$605,850	\$92,077 ✓
2%	Glass Gallons	265,390	.6500	172,504	.5580	148,088	24,416 ✓
Homo V.D. Milk	Paper Gallons	773,327	.7371	570,019	.6460	499,569	70,450
Homo V.D. Milk	Paper ½ " 5,321,403	.3685	1,960,937	.3230	1,718,813	242,124	
Homo V.D. Milk	Paper Qts.	2,194,591	.2000	438,918	.1755	385,151	53,767
Chocolate Milk	Paper Qts.	163,037	.2437	39,732	.2178	35,509	4,223
Buttermilk	Paper ½ Gals.	331,344	.3685	122,100	.3050	101,060	21,040
Buttermilk	Paper Qts.	542,083	.2000	108,417	.1600	86,733	21,684
2%	Paper ½ Gals.	612,231	.3453	211,403	.2990	183,057	28,346
Fortified Skim Milk	Paper ½ Gals.	515,996	.3453	178,173	.2825	145,769	32,404
Fortified Skim Milk	Paper Qts.	415,587	.1917	85,419	.1500	66,838	18,581
Whipping Cream	Paper ½ Pts.	256,481	.3068	78,688	.2600	66,685	12,003
Half-Half	Paper Pints	1,577,403	.2984	470,697	.2440	384,886	85,811
Total				\$5,134,934		\$4,428,008	\$706,926

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9/14/65

THE BORDEN COMPANY
CENTRAL DIVISION
ESTIMATED ANNUAL QUOTATION DIFFERENTIAL - ZONE #2 (SOUTH BEND AREA)

Item	Size	Annual Usage		Borden Label Unit Price 5/8/65	Annual Value for Borden Label	A&P Label Unit Quotation		Annual Value for A&P Label	Annual Differential
		3 -Day Delivery	6 -Day Delivery			3 -day Delivery	6 -day Delivery		
Homo V. D. Milk	Paper Gal.	126,516	2,756	\$.6305	\$ 81,506	\$.5910	\$.6460	\$ 76,551	\$ 4,955
Homo V. D. Milk	" ½ Gal.	472,905	20,159	.3203	157,928	.2955	.3230	146,254	11,674
Homo V. D. Milk	" Qts.	93,236	4,195	.1694	16,505	.1625	.1755	15,887	618
Chocolate Milk	" Qts.	10,175	225	.2166	2,253	.2048	.2178	2,133	120
Buttermilk	" ½ Gal.	22,967	537	.3193	7,505	.2775	.3050	6,537	968
Buttermilk	" Qts.	28,479	797	.1687	4,939	.1470	.1600	4,314	625
2%	" ½ Gal.	97,691	4,090	.2965	30,178	.2715	.2990	27,746	2,432
Fortified Skim Milk	" ½ Gal.	20,956	260	.2852	6,051	.2550	.2825	5,417	634
Fortified Skim Milk	" Qts.	10,955	416	.1601	1,820	.1370	.1500	1,563	257
Whipping Cream	" ½ Pts.	13,277	832	.2555	3,605	.2470	.2600	3,495	110
Half & Half	" Pts.	72,159	3,917	.2465	18,753	.2310	.2440	17,625	1,128
TOTAL					<u>\$331,043</u>			<u>\$307,522</u>	<u>\$23,521</u>

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9/14/65

THE BORDEN COMPANY
CENTRAL DIVISION
ESTIMATED ANNUAL QUOTATION DIFFERENTIAL - ZONE #3 (ROCKFORD-JOLIET AREA)

Item	Size	Annual Usage in Units	Borden Label Unit Price Week 5/8/65	Annual Value for Borden Label	A&P Label Units Quotation	Annual Value for A&P Label	Annual Differential
Homo V. D. Milk	Paper Gal.	50,353	\$.7305	\$ 36,783	\$.6460	\$ 32,528	\$ 4,255
Homo V. D. Milk	" ½ Gal.	251,507	.3645	91,674	.3230	81,237	10,437
Homo V. D. Milk	" Qts.	63,076	.1907	12,029	.1755	11,070	959
Chocolate Milk	" Qts.	13,919	.2403	3,345	.2178	3,032	313
Buttermilk	" ½ Gal.	20,124	.3643	7,331	.3050	6,138	1,193
Buttermilk	" Qts.	30,957	.1893	5,860	.1600	4,953	907
2%	" ½ Gal.	97,725	.3347	32,709	.2990	29,220	3,489
Fortified Skim Milk	" ½ Gal.	25,116	.3306	8,303	.2825	7,095	1,208
Fortified Skim Milk	" Qts.	15,600	.1789	2,791	.1500	2,340	451
Whipping Cream	" ½ Pts.	29,588	.2882	8,527	.2600	7,693	834
Half & Half	" Pts.	58,725	.2807	16,484	.2440	14,329	2,155
TOTAL				<u>\$225,836</u>		<u>\$199,635</u>	<u>\$26,201</u>

THE BORDEN COMPANY
CENTRAL DIVISION
ESTIMATED ANNUAL QUOTATION DIFFERENTIAL - ZONE #4 (MISCELLANEOUS AREA)

9/14/65

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Item	Size	Annual Usage		Borden Label Unit Price Week 5/8/65	Annual Value for Borden Label	A&P Label Unit Quotation		Annual Value for A&P Label	Annual Differential
		3 -Day Delivery	5&6 -Day Delivery			3 -Day Delivery	5&6 -Day Delivery		
Homo W. D. Milk	Paper Gal.	60,702	97,777	\$.6866	\$108,812	\$.5910	\$.6460	\$98,039	\$9,773
Homo W. D. Milk	" 1/2 Gal.	232,163	480,932	..3501	253,036	..2955	..3230	227,175	25,961
Homo W. D. Milk	" Qts.	66,439	75,469	..1837	26,069	..1625	..1735	24,041	2,028
Chocolate Milk	" Qts.	111,319	112,168	..2325	5,460	..2048	..2178	4,988	482
Buttermilk	" 1/2 Gal.	6,257	21,1007	..3580	10,835	..2775	..3050	9,058	1,777
Buttermilk	" Qts.	19,053	33,315	..1843	9,670	..1470	..1600	18,145	1,525
2%	" 1/2 Gal.	37,821	86,372	..3232	40,139	..2715	..2880	36,083	4,056
Fortified Skim Milk	" 1/2 Gal.	4,386	26,277	..3273	10,036	..2850	..2825	18,541	1,495
Fortified Skim Milk	" Qts.	9,446	17,1663	..1707	4,628	..1370	..1500	3,943	685
Whipping Cream	" 1/2 Rts.	17,750	31,217	..2917	14,284	..2470	..2600	12,500	1,784
Half & Half	" Rts.	65,485	80,886	..2742	42,880	..2310	..2440	37,306	5,574
TOTAL					\$525,969			\$470,809	\$55,160

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9/14/65

THE BORDEN COMPANY
CENTRAL DIVISION
ESTIMATED ANNUAL QUOTATION DIFFERENTIAL - ZONE #5 (ROCK ISLAND AREA)

Item	Size	Annual Usage in Units	Borden Label Unit Price Week 9/7/65	Annual Value for Borden Label	A&P Label Units Quotation	Annual Value for A&P Label	Annual Differential
Homo V. D. Milk	Paper Gal.	148,911	\$.6434	\$ 95,809	\$.6234	\$ 92,831	\$ 2,978
Homo V. D. Milk	" ½ Gal.	255,840	.3217	82,304	.3117	79,745	2,559
Homo V. D. Milk	" Qts.	106,652	.1792	19,112	.1742	18,579	533
Chocolate Milk	" Qts.	15,600	.2017	3,147	.1967	3,069	78
Buttermilk	" ½ Gal.	---	---	---	---	---	---
Buttermilk	" Qts.	28,617	.1792	5,128	.1742	4,985	143
2%	" ½ Gal.	87,013	.2926	25,460	.2826	24,590	870
Fortified Skim Milk	" ½ Gal.	37,613	.2813	10,581	.2713	10,204	377
Fortified Skim Milk	" Qts.	22,585	.1641	3,706	.1591	3,593	113
Whipping Cream	" ½ Pts.	23,157	.2798	6,479	.2748	6,364	115
Half & Half	" Pts.	86,216	.2497	21,528	.2447	21,097	431
TOTAL				<u>\$273,254</u>		<u>\$265,057</u>	<u>\$ 8,197</u>

September 14, 1965

The Borden CompanyCentral DivisionGeneral Quotation - A & P Private LabelApplicable to A & P Area No. 1 - Chicago-Calumet(Related to Present Announced Superpool Class I Price of \$4.32 per Cwt.)

<u>Item</u>	<u>Size</u>	* Net Unit Price for A & P Private Label Products Based on 6 Day Deliveries
Homogenized V.D. Milk	Glass Gallons	.6060
2%	Glass Gallons	.5580
Homogenized V.D. Milk	Paper Gallons	.6460
Homogenized V.D. Milk	Paper 1/2 Gal.	.3230 ✓
Homogenized V.D. Milk	Paper Quarts	.1755
2%	Paper Gallons	.5980
2%	Paper 1/2 Gal.	.2990
Vitamin Fortified Skim	Paper 1/2 Gal.	.2825
Vitamin Fortified Skim	Paper Quart	.1500
Half & Half	Paper Pint	.2440
Chocolate Milk	Paper Quart	.2178
Buttermilk	Paper 1/2 Gal.	.3050
Buttermilk	Paper Quart	.1600
Whipping Cream	Paper 1/2 Pint	.2600

* (1) Above net unit prices for A & P private label products are related to delivery conditions and co-operative program as set forth on accompanying schedule.

(2) Above net unit prices for A & P private label products are subject monthly to any change in the Class I price as such relates to the Class I price of \$4.32 per cwt. indicated above, in accordance with the price change per unit schedule attached.

The Borden CompanyCentral DivisionPrice Change Per UnitA & P Area No. 1 - Chicago-Calumet

(Related to the Announced Chicago Superpool Class I Price of \$4.32 per Cwt.)

Increase or Decrease Per Cwt.	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

Price Change Per Unit(Related to the Announced Superpool Class I Price of \$4.32 per Cwt.)Increase or
Decrease per Cwt.

.33
.34
.35
.36
.37
.38
.39
.40
.41
.42
.43
.44
.45
.46

Increase or Decrease in Price Per Unit		
Per Quart	Per Half Gallon	Per Gallon
.0072	.0144	.0288
.0074	.0148	.0296
.0076	.0152	.0304
.0078	.0156	.0312
.0080	.0160	.0320
.0082	.0164	.0328
.0085	.0170	.0340
.0087	.0174	.0348
.0089	.0178	.0356
.0091	.0182	.0364
.0093	.0186	.0372
.0095	.0190	.0380
.0098	.0196	.0392
.0100	.0200	.0400

The Borden CompanyCentral DivisionGeneral Quotation - A & P Private Label
Applicable to A & P Areas No. 2-3-4 (Town Listing Attached)

(Related to Present Announced Super Pool Class I Price of \$4.32 per Cwt.)

* Net Unit Price for A & P
Private Label ProductsBased on 3-Day Based on 5-6 Day
Drop Deliveries Drop Deliveries

<u>Item</u>	<u>Size</u>	
Homogenized V.D. Milk	Paper Gallons	.5910 .6460
Homogenized V.D. Milk	Paper 1/2 Gallons	.2955 ✓ .3230
Homogenized V.D. Milk	Paper Quarts	.1625 .1755
2%	Paper Gallons	.5430 .5980
2%	Paper 1/2 Gallons	.2715 .2990
Vitamin Fortified Skim	Paper 1/2 Gallons	.2550 .2825
Vitamin Fortified Skim	Paper Quarts	.1370 .1500
Half & Half	Paper Pints	.2310 .2440
Chocolate Milk	Paper Quarts	.2048 .2178
Buttermilk	Paper 1/2 Gallons	.2775 .3050
Buttermilk	Paper Quarts	.1470 .1600
Whipping Cream	Paper 1/2 Pints	.2470 .2600

* (1) Above Net Unit Prices for A & P Private Label Products are related to delivery conditions and co-operative program as set forth in accompanying schedule.

(2) Above Net Unit Prices for A & P Private Label Products are subject monthly to any change in the Class I price as such relates to the Class I price of \$4.32 per cwt. indicated above, in accordance with the Price Change Per Unit schedule attached.

The Borden CompanyCentral DivisionTown Listing - A & P Arcas No. 2-3-4Present Type of Delivery

<u>A & P Store Locations</u>	<u>3-Day</u>	<u>5-Day</u>	<u>6-Day</u>
South Bond, Indiana (6 stores)	x		
Mishawaka, Indiana	x		
Elkhart, Indiana	x		
Goshen, Indiana	x		
La Porte, Indiana	x		
Valparaiso, Indiana	x		
Walkerton, Indiana	x		
Michigan City, Indiana	x		
Chesterton, Indiana			x
South Bend, Indiana (1 store)			x
Lockport, Illinois			x
Aurora, Illinois (2 stores)			x
Joliet, Illinois (6 stores)			x
Rockford, Illinois (5 stores)			x
Freeport, Illinois			x
Loves Park, Illinois			x
Manteno, Illinois			x
Marseilles, Illinois			x
Spring Valley, Illinois			x
Momence, Illinois			x
Ottawa, Illinois			x
Sandwich, Illinois			x
Knox, Indiana			x
St. Anne, Illinois			x
Streator, Illinois			x
Plano, Illinois			x
North Judson, Indiana			x
Gilman, Illinois			x
Pontiac, Illinois			x
Lacon, Illinois			x
Galena, Illinois			x
La Salle, Illinois			x
Princeton, Illinois			x
Minonk, Illinois			x
Warren, Illinois			x
Belvidere, Illinois			x
Rochelle, Illinois			x
Dixon, Illinois			x
Marengo, Illinois			x
Polo, Illinois			x
De Kalb, Illinois			x

Town Listing - A & P Areas No. 2-3-4Present Type of DeliveryA & P Store Locations3-Day 5-Day 6-Day

Mt. Morris, Illinois		x	
Woodstock, Illinois			x
Fox Lake, Illinois			x
Kankakee, Illinois (2 stores)			x
Pecatonica, Illinois			x
Wilmington, Illinois			x
McHenry, Illinois			x
Antioch, Illinois			x
Wauconda, Illinois			x
Crystal Lake, Illinois			x
Zion, Illinois			x

The Borden CompanyCentral Division* Price Change Per Unit - A & P Areas No. 2-3-4

(Related to the Present Announced Chicago Super Pool Class I Price
of \$4.32 per Cwt.)

	<u>Increase or Decrease per Cwt.</u>	<u>Increase or Decrease in Price Per Unit</u>		
		<u>Per Quart</u>	<u>Per Half Gallon</u>	<u>Per Gallon</u>
.01		.0002	.0004	.0008
.02		.0004	.0008	.0016
.03		.0007	.0014	.0028
.04		.0009	.0018	.0036
.05		.0010	.0020	.0040
.06		.0013	.0026	.0052
.07		.0015	.0030	.0060
.08		.0017	.0034	.0068
.09		.0019	.0038	.0076
.10		.0021	.0042	.0084
.11		.0024	.0048	.0096
.12		.0026	.0052	.0104
.13		.0028	.0056	.0112
.14		.0030	.0060	.0120
.15		.0033	.0066	.0132
.16		.0035	.0070	.0140
.17		.0037	.0074	.0148
.18		.0039	.0078	.0156
.19		.0041	.0082	.0164
.20		.0043	.0086	.0172
.21		.0045	.0090	.0180
.22		.0048	.0096	.0192
.23		.0050	.0100	.0200
.24		.0052	.0104	.0208
.25		.0054	.0108	.0216
.26		.0056	.0112	.0224
.27		.0059	.0118	.0236
.28		.0061	.0122	.0244
.29		.0063	.0126	.0252
.30		.0065	.0130	.0260
.31		.0067	.0134	.0268
.32		.0069	.0138	.0276

Page 2Price Change Per Unit - A & P Areas No. 2-3-4

(Related to the Present Announced Chicago Super Pool Class I Price
of \$4.32 per Cwt.)

	Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

9-21-47

[Handwritten signature]

THE BORDEN COMPANY
Central Division

September 14, 1965

General Quotation -- A & P Private Label

Applicable to A & P Area No. 5 - Rock Island Area - (Town Listing Attached)
(Related to the Announced Federal Order No. 63 Class I Price
of \$4.31 per Cwt. for September 1965)

Item	Size	* Net Unit Price for A & P Private Label Products Based on 3-Day Drop Delivery
Homogenized V.D. Milk Paper	Gallon	.6234
Homogenized V.D. Milk Paper	1/2 Gal.	.3117
Homogenized V.D. Milk Paper	Quart	.1742
2% Paper	1/2 Gal.	.2826
Vitamin Fortified Skim Paper	1/2 Gal.	.2713
Vitamin Fortified Skim Paper	Quart	.1591
Half & Half Paper	Pint	.2447
Chocolate Milk Paper	Quart	.1967
Buttermilk Paper	Quart	.1742
Whipping Cream Paper	1/2 Pint	.2748

* (1) Above Net Unit Prices for A & P Private Label Products are Related to Delivery Conditions and Co-operative Program as set forth in Accompanying Schedule.

(2) Above Net Unit Prices for A & P Private Label Products are subject Monthly to any Change in the Class I Price as such relates to the Class I Price of \$4.31 per Cwt. indicated above, in Accordance with the Price Change per Unit Schedule attached.

THE BORDEN COMPANY
Central Division

Town Listing - A & P Area No. 5 - Rock Island Area

A & P Store Location	Present Type of Delivery		
	3 Day	5 Day	6 Day
Geneseo, Illinois	x		
Kewanee, Illinois	x		
Lanark, Illinois	x		
Moline, Illinois (2 stores)	x		
Mt. Carroll, Illinois	x		
Rock Island, Illinois	x		
Savanna, Illinois	x		
Sterling, Illinois	x		
Toulon, Illinois	x		
Galesburg, Illinois (2 stores)	x		
Clinton, Iowa	x		
Davenport, Iowa (2 stores)	x		

THE BORDEN COMPANY
Central Division

Price Change Per Unit - A & P Area No. 5 - Rock Island Area

(Related to the Federal Order No. 63 Announced Class I Price
of \$4.31 per Cwt. for September 1965)

Increase or
Decrease per CWT.

	Increase or Decrease in Price		
	Per Quart	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

Page 2

THE DORDEN COMPANY
Central Division

Price Change Per Unit - A & P Area No. 5 - Rock Island Area

(Related to the Federal Order No. 63 Announced Class I Price
of \$4.31 per Cwt. for September 1965)

Increase or
Decrease per CWT.

	Increase or Decrease in Price		
	Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

Handwritten signature and date: 10/1/65

September 14, 1965

The Borden Company - Central DivisionA & P Private Label Program

The new A & P Private Label milk program is based upon the following mutual understandings and the essentials of this new program are outlined below:

1. Borden personnel will assist in the formulation of this new program.
2. Borden personnel will also assist A & P personnel during the introductory period in the various phases of ordering and rotating of merchandise so that the program will achieve its ultimate sales goals and expectations. (Suggested Bulletins to Supervisors and Store Managers attached.)
3. A complete line of dairy products, as supplied by The Borden Company, should be featured in your dairy case.
4. Deliveries will be on a limited service basis as follows:
 - (a) Stores served on a three-day per week basis will receive one delivery on Monday-Wednesday-Friday or Tuesday-Thursday-Saturday.
 - (b) Stores served on a five-or six-day per week basis will receive one delivery per day.
 - (c) The delivery time to each store will be handled in a manner to effectuate the most efficient delivery schedule.
 - (d) Special deliveries shall not be made except in unusual instances, such as Borden's failure to perform on the advance order.
5. Deliveries at the store level shall be handled in the following manner:
 - (a) To the receiving door of the store.
 - (b) To a designated place on the receiving platform.
 - (c) To a refrigerated storage box that can be entered directly from a platform or ground level location and into which dairy products can be conveniently stocked.
 - (d) If dairy products are delivered to a refrigerated storage box, adequate storage space shall be provided so that proper rotation of carry-over merchandise can be handled by store personnel.
 - (e) Empty milk cases and bottles shall be placed at a designated point for easy accessibility and pickup.

- 2 -

6. Ordering of Products.

- (a) Advance order delivery tickets shall be supplied by The Borden Company.
- (b) Advance order tickets for the following delivery shall be completed for presentation to the Borden driver at time of delivery.

7. Code Dates.

- (a) Products are clearly coded on the gable of the milk items and on the bottom of all bucket products.
- (b) All products are coded with an expiration date.
- (c) Code date expirations shall be explained in the Chicago Unit Office and at local levels.

8. Credit for Product Returns.

- (a) Credit for product returns shall be only on the basis of faulty containers or product remaining within code date.

9. Borden's will not be obligated to furnish any merchandising materials, price promotions, demonstrators, or special displays on A & P labelled products under this program.

10. Borden salesmen's services will be supplied at the store level only, to follow through on a complaint covering such matters as service, product, or container.

Suggestion forBULLETIN NO. I

ATTENTION STORE NO. _____

TO: SUPERVISORS AND STORE MANAGERS

Your store will be serviced with A & P labeled milk products by The Borden Company on a drop shipment delivery basis.

The essentials of this new purchasing arrangement are as follows:

1. Limited deliveries.
2. No returns.
3. No service in regard to rotation, stocking, etc.
4. Pre-order of merchandise.

We will advise you shortly of the requirements of ordering and handling of milk products under this new program and of our arrangements with Borden's.

The Borden Company will soon hold a series of meetings to explain to you the coordination of deliveries and to evaluate your physical set-up. The new pre-order system and control guide will help you obtain a pattern in regard to your requirements. These things must be covered in order that you may sensibly pre-order merchandise from the above supplier for your store's needs.

Please give these people your utmost cooperation. We recommend that you fully explain these procedures to your Assistant Manager, Dairy Department Head, or someone responsible for the operation and the ordering of dairy products. The new aspects of this system should be thoroughly understood and followed by members of your organization.

We will advise you shortly in regard to items and procedures and other details.

BULLETIN NO. II

ATTENTION STORE NO. _____

TO: SUPERVISORS AND STORE MANAGERS

The new A & P private label milk delivery program has now been worked out, and deliveries to your stores will start on Monday _____. With this new program, we will be getting maximum benefits from the fast moving dairy items and it will be to our advantage for you to work with your supplier to handle this properly in order that we may all be successful in this venture.

Deliveries will be made on a limited service basis as follows:

- (a) Stores served on a three day per week basis will receive one delivery on Monday-Wednesday-Friday or Tuesday-Thursday-Saturday.
- (b) Stores served on a five or six day per week basis will receive one delivery per day.
- (c) Special deliveries shall not be made except the failure of Borden's to perform on the advance order.

Deliveries at the store level shall be handled in the following manner:

- (a) To the receiving door of the store.
- (b) To a designated place on the receiving platform.
- (c) To a refrigerated storage box that can be entered directly from a platform or ground level location and into which dairy products can be conveniently stocked.
- (d) If dairy products are delivered to a refrigerated storage box, adequate storage space shall be provided so that proper rotation of carry-over merchandise can be handled by store personnel.
- (e) Empty milk cases and bottles shall be placed at a designated point for easy accessibility and pick-up.

Ordering of Products

- (a) Pre-order forms will be furnished to you by The Borden Company.
- (b) This order must be completed and be available in the cooler at the time of the delivery for the driver to pick up.

Example: On three day delivery -- Monday delivery, pick up order for Wednesday. Wednesday delivery, pick up order for Friday. Friday delivery, pick up order for Monday, etc.

On the five or six day delivery schedule, the order again must be completed and available in the cooler for the following day's delivery.

Please follow instructions in order that we may have no inconvenience or unnecessary expense by orders not being available as outlined above.

In all cases, order changes will not be accepted since they can be adjusted on the following day's order.

We recommend you try, whenever possible, to order merchandise in even cases. This may not be possible in smaller volume stores.

As always in the use of your order form, you must take into consideration your meat feature, the week-end pay days, 15th and 1st of the month, holidays, individual store promotions on dairy features, and consult your past order forms and inventories.

All products are under a "no return" basis and the only exception will be for manufacturing defects. Please use care.

Codes

- (a) Products are clearly coded on the gable of the milk items and on the bottom of all bucket products.
- (b) All products are coded with an expiration date.
- (c) Code date expiration shall be explained to you at future meetings.
- (d) Please check code dates daily and rotate. There will be no services offered in regard to rotation and checking by the supplier. Do not make the customer unhappy by having old products in the case due to lack of attention to this operation.

For those stores who are presently on a three day drop delivery method, this should be nothing new for you. It might be well, however, to again review all of the procedures in the ordering and handling of dairy products.

We sincerely believe that this new milk program is another stride forward for our company and you will be able to achieve your ultimate sales goals and expectations.

Winnipeg - A. P.

9/2/60-

Edwin Schmidt advised Tom that no more of the previous matters, Ralph & he should see Bob Hall, the accountant and leave out presentation until him and Hall would say what they got to him (Edwin).

There was a rather disturbing change because this matter it appeared was sold to Hall but there was the way Edwin wanted it to be handled.

Ralph called following the meeting. Hall appeared to be smart and astute. Indicated a number of disturbing factors - Hall's ignorance of this was Bonar's fund. funds - funds that generated to what we might "definitely". Marked down Hall however that there were some things he would like to explain and reviewed paper his paper the data presented dated 9/14/60. Hall asked a number of intelligent questions - should state we speak to products the \$800,000 -

Hall further indicated that they would take the funds offer and compare - had some more figures coming in. Marked indicated we would like to go ahead - Hall referred to the fact that Edwin had other figures - other things are involved.

737a

58B

9/17/65

Memo - A&P

Elmer Schmidt advised Tarr that in view of his personal matters, Ralph and he should see Bob Hall, his assistant and leave our quotations with him and Hall would see that they got to him (Elmer).

This was a rather disturbing change because this matter it appeared was cold to Hall but this was the way Elmer wanted it to be handled.

Ralph called following the meeting. Hall appeared to be smart and attentive. Indicated a number of disturbing factors - Hall inquired if this was Borden's final, final - final best quotation to which we replied "definitely". Minkler advised Hall however that there were some things he would like to explain and reviewed page by page the data presented dated 9/14/65. Hall asked a number of intelligent questions. Understands we spread to products the \$820,000.

Hall further indicated that they would take the final offer and compare - had some more figures coming in. Minkler indicated he would like to go ahead. Hall referred to the fact that Elmer has other figures - other things are involved.

862

September 21, 1965.

THE BORDEN COMPANY

Central Division

Price Quotation Data covering

A & P Private Label Fluid Milk Products

in

A & P Zones No. 1, 2, 3, 4 & 5.

THE BORDEN COMPANY
Central Division

Summary of Decreased A & P Private Label Cost

Area No. 1	\$694,524
Area No. 2	25,584
Area No. 3	39,270
Area No. 4	98,151
Area No. 5	25,308
<u>Total</u>	<u>\$882,837</u>

740a

THE BORDEN COMPANY
CENTRAL DIVISION
ZONE NO. I - CHICAGO AND CALUMET AREA

PRICES AS OF MAY 8, 1965

COMMODITY	YEARLY USAGE	BORDEN LABEL UNIT COST	BORDEN LABEL ANNUAL COST	A & P LABEL UNIT COST	A & P LABEL ANNUAL COST	DIFFERENTIAL ANNUAL BASIS
Gals. Homo Paper	773,327	\$.7371	\$ 570,024	\$.6220	\$ 481,009	\$ 89,015
½ Gals. Homo	5,321,403	.3685	1,960,937	.3110	1,654,956	305,981
Qts. Homo	2,194,591	.2000	438,915	.1705	374,178	64,737
Qts. Chocolate	163,037	.2437	39,728	.2150	35,053	4,675
½ Gals. Buttermilk	331,344	.3685	122,096	.3030	100,397	21,699
Qts. Buttermilk	542,083	.2000	108,420	.1560	84,565	23,855
½ Gals. 2%	612,231	.3453	211,397	.2900	177,547	33,850
½ Gals. Skim	515,996	.3453	178,169	.2820	145,511	32,658
Qts. Skim	445,587	.1917	85,419	.1440	64,165	21,254
½ Pts. Whip Cream	256,481	.3068	78,693	.2640	67,711	10,982
Pts. Half-Half	1,577,403	.2984	470,704	.2440	384,886	85,818
TOTAL			<u>\$4,264,502</u>		<u>\$3,569,978</u>	<u>\$694,524</u>

21,834,438 Qts.

741a

THE BORDEN COMPANY
CENTRAL DIVISION
ZONE NO. II - SOUTH BEND AREA

PRICES AS OF MAY 8, 1933

COMMODITY	YEARLY USAGE	BORDEN LABEL UNIT COST (ave.)	BORDEN LABEL ANNUAL COST	A & P LABEL UNIT COST	A & P LABEL ANNUAL COST	DIFFERENTIAL ANNUAL BASIS
Gals. Homo	129,272	\$.6305	\$ 81,501	3-Day \$.5848	\$ 75,709	\$ 5,792
½ Gals. Homo	493,064	.3203	157,907	6-Day .6248		
				3-Day .2924	144,575	13,332
Qts. Homo	97,431	.1694	16,501	6-Day .3124		
				3-Day .1612	15,748	753
Qts. Chocolate	10,400	.2166	2,253	6-Day .1712		
				3-Day .2057	2,142	111
½ Gals. Buttermilk	23,504	.3193	7,505	6-Day .2157		
				3-Day .2844	6,695	810
Qts. Buttermilk	29,276	.1687	4,940	6-Day .3044		
				3-Day .1467	4,303	637
½ Gals. 2%	101,781	.2965	30,177	6-Day .1567		
				3-Day .2714	27,705	2,472
½ Gals. Skim	21,216	.2852	6,050	6-Day .2914		
				3-Day .2634	5,593	457
Qts. Skim	11,371	.1601	1,820	6-Day .2834		
				3-Day .1347	1,536	284
½ Pts. Whip Cream	14,109	.2555	3,605	6-Day .1447		
				3-Day .2547	3,602	3
Pts. Half-Half	76,076	.2465	18,755	6-Day .2647		
				3-Day .2337	17,822	933
				6-Day .2447		
TOTAL			\$331,014		\$305,430	\$ 25,584

2,034,881 Pts

742a.

THE BORDEN COMPANY
Central Division

Prices as of May 8

Zone No. III - Rockford-Joliet Area.

Commodity	Yearly Usage	Borden Label Unit Coast Average	Borden Label Annual Cost	A & P Label Unit Cost	A & P Label Annual Cost	Differential Annual Basis
Gals. Homo	50,353	\$.7305	\$36,781	\$.5972	\$30,071	\$ 6,710
1/2 Gals. Homo	251,507	.3645	91,676	.2986	75,100	16,576
Quarts Homo	63,076	.1907	12,029	.1643	10,363	1,666
Quarts Chocolate	13,919	.2403	3,345	.2088	2,906	439
1/2 Gals. Butter-milk	20,124	.3643	7,332	.2906	5,848	1,484
Quarts Buttermilk	30,957	.1893	5,859	.1498	4,637	1,222
1/2 Gals. 2%	97,725	.3347	32,708	.2776	27,128	5,580
1/2 Gals. Skim	25,116	.3306	8,303	.2696	6,771	1,532
Quarts Skim	15,600	.1789	2,791	.1378	2,150	641
1/2 Pts. Whipping Cream	29,588	.2882	8,528	.2578	7,628	900
Pints Half-Half	58,725	.2807	16,484	.2378	13,964	2,520
<u>Total</u>			<u>\$225,836</u>		<u>\$186,566</u>	<u>\$39,270</u>

1,202,441 Pts

743a

THE BORDEN COMPANY
Central Division

Prices as of May 8

ZONE NO. IV -- Miscellaneous Area

<u>Commodity</u>	<u>Yearly Usage</u>	<u>Borden Label Unit Cost (Average)</u>	<u>Borden Label Annual Cost</u>	<u>A & P Label Unit Cost (Average)</u>	<u>A & P Label Annual Cost</u>	<u>Differential Annual Basis</u>
Gallons Homo	158,479	\$.6866	\$ 108,819	\$.5627	\$ 89,173	\$ 19,646
1/2 Gals. Homo	723,095	.3501	253,188	.2825	204,331	48,857
Quarts Homo	141,908	.1837	26,069	.1548	21,970	4,099
Quarts Chocolate	23,487	.2325	5,460	.1992	4,678	782
1/2 Gals. Buttermilk	30,264	.3580	10,833	.2769	8,379	2,454
Quarts Buttermilk	52,468	.1843	9,672	.1414	7,417	2,255
1/2 Gals. 2%	124,193	.3232	40,144	.2619	32,528	7,616
1/2 Gals. Skim	30,663	.3273	10,036	.2571	7,883	2,153
Quarts Skim	27,109	.1707	4,628	.1295	3,511	1,117
1/2 Pints Whip Cream	48,967	.2917	14,283	.2494	12,212	2,071
Pints Half & Half	156,381	.2742	42,883	.2288	35,782	7,101
			<u>\$ 526,015</u>		<u>\$ 427,864</u>	<u>\$ 98,151</u>

2,900,666.075

744a

Prices as of May 8

THE BORDEN COMPANY
Central Division

Zone No. V---Rock Island Area.

Commodity	Yearly Usage	Borden Label Unit Cost Average	Borden Label Annual Cost	A & P Label Unit Cost	A & P Label Annual Cost	Differential Annual Basis
Gals. Homo	148,911	\$.6066	\$90,324	\$.5468	\$81,425	\$ 8,899
1/2 Gals. Homo	255,840	.3035	77,636	.2734	69,947	7,689
Quarts Homo	106,652	.1710	18,235	.1517	16,179	2,056
Quarts Chocolate	15,600	.1933	3,016	.1874	2,923	93
Quarts Buttermilk	28,617	.1714	4,905	.1372	3,926	979
1/2 Gals. 2%	87,013	.2743	23,868	.2524	21,962	1,906
1/2 Gals. Skim	37,613	.2627	9,880	.2444	9,193	687
Quarts Skim	22,585	.1573	3,553	.1252	2,828	725
1/2 Pts. Whipping Cream	23,157	.2717	6,292	.2452	5,679	613
Pints Half-Half	86,216	.2445	21,077	.2252	19,416	1,661
<u>Total</u>			<u>\$258,786</u>		<u>\$233,478</u>	<u>\$25,308</u>

1,139,403 275

THE BORDEN COMPANYCHICAGO - CALUMET AREA (ZONE NO. 1)GENERAL QUOTATION - A & P PRIVATE LABEL

(Related to the Present Announced Superpool Class I Price of \$4.29)

	Net for Borden Label	Net for A & P Private Label
Homo V. D. Milk - Gal. Paper	\$.7371	\$.6220
Homo V. D. Milk - 1/2 Gal. Paper	.3685	.3110
Homo V. D. Milk - Qts. Paper	.2000	.1705
<u>2% - Gal. Paper</u>	.6906	.5800
2% - 1/2 Gal. Paper	.3453	.2900
Vitamin Fortified Skim - 1/2 Gal. Paper	.3453	.2820
Vitamin Fortified Skim - Qts. Paper	.1917	.1400
Half & Half - Pts. Paper	.2984	.2440
Chocolate Milk - Qts. Paper	.2437	.2150
Buttermilk - 1/2 Gal. Paper	.3685	.3030
Buttermilk - Qts. Paper	.2000	.1560
Whipping Cream - 1/2 Pts. Paper	.3068	.2640

- (1) Above net unit prices for A & P private label products are related to delivery conditions and cooperative program as set forth on the accompanying schedule.
- (2) Above net unit prices for A & P private label products are subject monthly to any change in the Class I price as such relates to the Class I price of \$4.29 per cwt. indicated above, in accordance with the price change per unit schedule attached. In addition, the above unit prices for A & P private label products are subject to change in connection with changes that occur in the cost of labor and containers.

September 21, 1965

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THE BORDEN COMPANY

General Quotation -- A & P Private Label

(Related to Present Announced Superpool Class I Price of \$4.32 Per Cwt.)

* Net Price for A & P Private Label Products
by Type and Method of Delivery

Private Label Products	3-Day		4-Day		5-Day		6-Day	
	Per Week	Drop	Per Week	Drop	Per Week	Drop	Per Week	Drop
	Delivery		Delivery		Delivery		Delivery	
Homo V.D. Milk - Gallon Paper	.5848		.6048		.6148		.6248	
Homo V.D. Milk - 1/2 Gal. Paper	.2924		.3024		.3074		.3124	
Homo V.D. Milk - Quart Paper	.1612		.1662		.1687		.1712	
2% - 1/2 Gal. Paper	.2714		.2814		.2864		.2914	
Vitamin Fortified Skim - 1/2 Gal. Paper	.2634		.2734		.2784		.2834	
Vitamin Fortified Skim - Quart Paper	.1347		.1397		.1422		.1447	
Half & Half - Pint Paper	.2337		.2397		.2422		.2447	
Chocolate Milk - Quart Paper	.2057		.2107		.2132		.2157	
Buttermilk - 1/2 Gal. Paper	.2844		.2944		.2994		.3044	
Buttermilk - Quart Paper	.1467		.1517		.1542		.1567	
Whipping Cream - 1/2 Pint Paper	.2547		.2597		.2622		.2647	

Prices apply to stores located in the geographical area subject to the terms of the Chicago Superpool which are as follows:

Stores Receiving 3-Day Per Week Delivery:

South Bend (6 stores), Mishawaka
Elkhart, Goshen, La Porte, Valparaiso,
Walkerton and Michigan City.

Stores Receiving 6-Day Per Week Delivery:

Chesterton, South Bend (1 store).

Stores Receiving 4-Day and 5-Day Per Week Delivery:

None

* (1) Above net unit prices for A & P private label products are related to delivery conditions and co-operative program as set forth on the accompanying schedule.

(2) Above net unit prices for A & P private label products are subject monthly to any change in the Class I price as such relates to the Class I price of \$4.32 per cwt., indicated above, in accordance with the price change per unit schedule attached. In addition, the above unit prices for A & P private label products are subject to change in connection with changes that occur in the cost of labor and containers.

September 21, 1965

The Borden CompanyGeneral Quotation - A & P Private Label

(Related to Present Announced Superpool Class I Price of \$4.00 per Cwt.)

		* Net Price for A & P Private Label Products by Type and Method of Delivery					
		3 - Day		4 - Day		5 - Day	
Private Label Products	Drop	Per Week		Per Week		Per Week	
		Delivery	Drop	Delivery	Drop	Delivery	Drop
Homo V.D. Milk - Gal. Paper		.5572		.5772		.5872	
Homo V.D. Milk - 1/2 Gal. Paper		.2786		.2886		.2936	
Homo V.D. Milk - Quart Paper		.1543		.1593		.1618	
2% - 1/2 Gal. Paper		.2576		.2676		.2726	
Vitamin Fortified Skim - 1/2 Gal. Paper		.2496		.2596		.2646	
Vitamin Fortified Skim - Quart Paper		.1278		.1328		.1353	
Half & Half - Pint Paper		.2278		.2328		.2353	
Chocolate Milk - Quart Paper		.1988		.2038		.2063	
Buttermilk - 1/2 Gal. Paper		.2706		.2806		.2856	
Buttermilk - Quart Paper		.1398		.1448		.1473	
Whipping Cream - 1/2 Pint Paper		.2478		.2528		.2553	

Prices apply to stores located in the geographical area subject to the terms of the Rockford Superpool which are as follows:

Stores Receiving 6-Day Per Week Delivery:

Lockport, Aurora (2 stores), Joliet
(6 stores), Rockford (5 stores), Freeport
and Loves Park.

Stores Receiving 3-Day - 4-Day - or 5-Day Per Week Delivery:

None

- * (1) Above net unit prices for A & P private label products are related to delivery conditions and co-operative program as set forth on the accompanying schedule.
- (2) Above net unit prices for A & P private label products are subject monthly to any change in the Class I price as such relates to the Class I price of \$4.00 per cwt. indicated above, in accordance with the price change per unit schedule attached. In addition, the above unit prices for A & P private label products are subject to change in connection with changes that occur in the cost of labor and containers.

Schedule No. 3 - Part 2
(Zone No. 4)
September 21, 1965

The Borden Company

General Quotation - A & P Private Label

(Related to the Announced Class I Price Under Federal Order No. 30 of \$3.78 per Cwt.)

* Net Price for A & P Private Label Products
by Type and Method of Delivery

	3-Day		4-Day		5-Day		6-Day	
	Per Week	Drop	Per Week	Drop	Per Week	Drop	Per Week	Drop
Private Label Products	Delivery		Delivery		Delivery		Delivery	
Home V. D. Milk - Gal. Paper	.5380		.5580		.5680		.5780	
Home V. D. Milk - 1/2 Gal. Paper	.2690		.2790		.2840		.2890	
Home V. D. Milk - Quart Paper	.1495		.1545		.1570		.1595	
2% - 1/2 Gal. Paper	.2480		.2580		.2630		.2680	
Vitamin Fortified Skim Milk - 1/2 Gal. Paper	.2400		.2500		.2550		.2600	
Vitamin Fortified Skim Milk - Quart Paper	.1230		.1280		.1305		.1330	
Half & Half - Pint Paper	.2230		.2280		.2305		.2330	
Chocolate Milk - Quart Paper	.1940		.1990		.2015		.2040	
Buttermilk - 1/2 Gal. Paper	.2610		.2710		.2760		.2810	
Buttermilk - Quart Paper	.1350		.1400		.1425		.1450	
Whipping Cream - 1/2 Pint Paper	.2430		.2480		.2505		.2530	

Prices apply to stores located in the geographical area subject to the announced Class I milk prices under Federal Order No. 30, (which Class I milk prices are not subject to producer "superpool" payments) which stores are as follows:

Stores Receiving 3-Day Per Week Delivery:

Manteno	Momence	St. Annes	Gilman	La Salle
Marseilles	Ottawa	Streator	Pontiac	Princeton
Spring Valley	Sandwich	Plano	Lacon	Minonk
Culver	Knox	North Judson	Galena	Warren
Mendota				

Stores Receiving 4-Day Per Week Delivery:

None

Stores Receiving 5-Day Per Week Delivery

Belvidere	Marengo	DoKalb
Rochelle	Polo	Mt. Morris
Dixon		

Stores Receiving 6-Day Per Week Delivery:

Woodstock	McHenry
Fox Lake	Antioch
Kankakee (2 stores)	Wauconda
Pecatonica	Crystal Lake
Wilmington	Zion

- * (1) Above net unit prices for A & P private label products are related to delivery conditions and co-operative program as set forth on the accompanying schedule.
- (2) Above net unit prices for A & P private label products are subject monthly to any change in the Class I price as such relates to the Class I price of \$3.78 per cwt. indicated above, in accordance with the price change per unit schedule attached. In addition, the above unit prices for A & P private label products are subject to change in connection with changes that occur in the cost of labor and containers.

Schedule 4 - Part 2

(Zone No. 5)

September 21, 1965

THE BORDEN COMPANY

GENERAL QUOTATION - A & P PRIVATE LABEL

(Related to the Announced Class I Price Under Federal Order #63)

of \$ 3.88 per Cwt.

* Net Price for A & P Private Label Products
by Type and Method of Delivery

Private Label Products	3-Day		4-Day		5-Day		6-Day	
	Per Week	Drop	Per Week	Drop	Per Week	Drop	Per Week	Drop
	Delivery		Delivery		Delivery		Delivery	
Homo V.D. Milk Gal. Paper	.5468		.5668		.5768		.5868	
Homo V.D. Milk 1/2 Gal. Paper	.2734		.2804		.2884		.2934	
Homo V.D. Milk Quart Paper	.1517		.1567		.1592		.1617	
2% - 1/2 Gal. Paper	.2524		.2624		.2674		.2724	
Vit. Fort. Skim Milk 1/2 Gal. Paper	.2444		.2544		.2594		.2644	
Vit. Fort. Skim Milk Quart Paper	.1252		.1302		.1327		.1352	
Half & Half Pint Paper	.2252		.2302		.2327		.2352	
Chocolate Milk Quart Paper	.1874		.1924		.1949		.1974	
Buttermilk Quart Paper	.1372		.1422		.1447		.1472	
Whipping Cream 1/2 Pint Paper	.2452		.2502		.2527		.2552	

Prices apply to stores in the geographical area subject to the announced Class I Milk prices under Federal Order No. 63, (which Class I Milk prices are not subject to producer "Super Pool" payments) which stores are as follows:

Stores Receiving 3 Day Per Week Delivery

Genesco Kewanee Lanark Moline (2 Stores)
 Mt. Carroll Rock Island Savannah Sterling
 Toulon Galusburg (2 Stores) Clinton Davenport (2 Stores)

Stores Receiving 4 Day, 5 Day or 6 Day Delivery
None.

* (1) Above net unit prices for A & P private label products are related to delivery conditions and co-operative program as set forth on the accompanying schedule.

(2) Above net unit prices for A & P private label products are subject monthly to any change in the Class I price as such relates to the Class I price of \$3.88 per cwt. indicated above, in accordance with the price change per unit schedule attached. In addition, the above unit prices for private label products are subject to change in connection with changes that occur in the cost of labor and containers.

September 21, 1965

THE BORDEN COMPANY
Central Division

Price Change Per Unit Schedule

Increase or
Decrease per CWT.
in Class I Price

	Resulting Increase or Decrease in Price Per Unit		
	Per Quart.	Per Half Gallon	Per Gallon
.01	.0002	.0004	.0008
.02	.0004	.0008	.0016
.03	.0007	.0014	.0028
.04	.0009	.0018	.0036
.05	.0010	.0020	.0040
.06	.0013	.0026	.0052
.07	.0015	.0030	.0060
.08	.0017	.0034	.0068
.09	.0019	.0038	.0076
.10	.0021	.0042	.0084
.11	.0024	.0048	.0096
.12	.0026	.0052	.0104
.13	.0028	.0056	.0112
.14	.0030	.0060	.0120
.15	.0033	.0066	.0132
.16	.0035	.0070	.0140
.17	.0037	.0074	.0148
.18	.0039	.0078	.0156
.19	.0041	.0082	.0164
.20	.0043	.0086	.0172
.21	.0045	.0090	.0180
.22	.0048	.0096	.0192
.23	.0050	.0100	.0200
.24	.0052	.0104	.0208
.25	.0054	.0108	.0216
.26	.0056	.0112	.0224
.27	.0059	.0118	.0236
.28	.0061	.0122	.0244
.29	.0063	.0126	.0252
.30	.0065	.0130	.0260
.31	.0067	.0134	.0268
.32	.0069	.0138	.0276

September 21, 1965

Page 2

THE BORDEN COMPANY
Central Division

Price Change Per Unit Schedule

Increase or Decrease per CWT. in Class I Price	Resulting Increase or Decrease in Price Per Unit		
	Per Quart	Per Half Gallon	Per Gallon
.33	.0072	.0144	.0288
.34	.0074	.0148	.0296
.35	.0076	.0152	.0304
.36	.0078	.0156	.0312
.37	.0080	.0160	.0320
.38	.0082	.0164	.0328
.39	.0085	.0170	.0340
.40	.0087	.0174	.0348
.41	.0089	.0178	.0356
.42	.0091	.0182	.0364
.43	.0093	.0186	.0372
.44	.0095	.0190	.0380
.45	.0098	.0196	.0392
.46	.0100	.0200	.0400

The Borden Company - Central DivisionA & P Private Label Program

The new A & P Private Label milk program is based upon the following mutual understandings and the essentials of this new program are outlined below:

1. Borden personnel will assist in the formulation of this new program.
2. Borden personnel will also assist A & P personnel during the introductory period in the various phases of ordering and rotating of merchandise so that the program will achieve its ultimate sales goals and expectations. (Suggested Bulletins to Supervisors and Store Managers attached.)
3. A complete line of dairy products, as supplied by The Borden Company, should be featured in your dairy case.
4. Deliveries will be on a limited service basis as follows:
 - (a) Stores served on a three-day per week basis will receive one delivery on Monday-Wednesday-Friday or Tuesday-Thursday-Saturday.
 - (b) Stores served on a five-or six-day per week basis will receive one delivery per day.
 - (c) The delivery time to each store will be handled in a manner to effectuate the most efficient delivery schedule.
 - (d) Special deliveries shall not be made except in unusual instances, such as Borden's failure to perform on the advance order.
5. Deliveries at the store level shall be handled in the following manner:
 - (a) To the receiving door of the store.
 - (b) To a designated place on the receiving platform.
 - (c) To a refrigerated storage box that can be entered directly from a platform or ground level location and into which dairy products can be conveniently stocked.
 - (d) If dairy products are delivered to a refrigerated storage box, adequate storage space shall be provided so that proper rotation of carry-over merchandise can be handled by store personnel.
 - (e) Empty milk cases and bottles shall be placed at a designated point for easy accessibility and pickup.

6. Ordering of Products.

- (a) Advance order delivery tickets shall be supplied by The Borden Company.
- (b) Advance order tickets for the following delivery shall be completed for presentation to the Borden driver at time of delivery.

7. Code Dates.

- (a) Products are clearly coded on the gable of the milk items and on the bottom of all bucket products.
- (b) All products are coded with an expiration date.
- (c) Code date expirations shall be explained in the Chicago Unit Office and at local levels.

8. Credit for Product Returns.

- (a) Credit for product returns shall be only on the basis of faulty containers or product remaining within code date.
9. Borden's will not be obligated to furnish any merchandising materials, price promotions, demonstrators, or special displays on A & P labelled products under this program.

10. Borden salesmen's services will be supplied at the store level only, to follow through on a complaint covering such matters as service, product, or container.

755a
Suggestion for

BULLETIN NO. I

ATTENTION STORE NO. _____

TO: SUPERVISORS AND STORE MANAGERS

Your store will be serviced with A & P labeled milk products by The Borden Company on a drop shipment delivery basis.

The essentials of this new purchasing arrangement are as follows:

1. Limited deliveries.
2. No returns.
3. No service in regard to rotation, stocking, etc.
4. Pre-order of merchandise.

We will advise you shortly of the requirements of ordering and handling of milk products under this new program and of our arrangements with Borden's.

The Borden Company will soon hold a series of meetings to explain to you the coordination of deliveries and to evaluate your physical set-up. The new pre-order system and control guide will help you obtain a pattern in regard to your requirements. These things must be covered in order that you may sensibly pre-order merchandise from the above supplier for your store's needs.

Please give these people your utmost cooperation. We recommend that you fully explain these procedures to your Assistant Manager, Dairy Department Head, or someone responsible for the operation and the ordering of dairy products. The new aspects of this system should be thoroughly understood and followed by members of your organization.

We will advise you shortly in regard to items and procedures and other details.

BULLETIN NO. II

ATTENTION STORE NO. _____

TO: SUPERVISORS AND STORE MANAGERS

The new A & P private label milk delivery program has now been worked out, and deliveries to your stores will start on Monday _____. With this new program, we will be getting maximum benefits from the fast moving dairy items and it will be to our advantage for you to work with your supplier to handle this properly in order that we may all be successful in this venture.

Deliveries will be made on a limited service basis as follows:

- (a) Stores served on a three day per week basis will receive one delivery on Monday-Wednesday-Friday or Tuesday-Thursday-Saturday.
- (b) Stores served on a five or six day per week basis will receive one delivery per day.
- (c) Special deliveries shall not be made except the failure of Borden's to perform on the advance order.

Deliveries at the store level shall be handled in the following manner:

- (a) To the receiving door of the store.
- (b) To a designated place on the receiving platform.
- (c) To a refrigerated storage box that can be entered directly from a platform or ground level location and into which dairy products can be conveniently stocked.
- (d) If dairy products are delivered to a refrigerated storage box, adequate storage space shall be provided so that proper rotation of carry-over merchandise can be handled by store personnel.
- (e) Empty milk cases and bottles shall be placed at a designated point for easy accessibility and pick-up.

Ordering of Products

- (a) Pre-order forms will be furnished to you by The Borden Company.
- (b) This order must be completed and be available in the cooler at the time of the delivery for the driver to pick up.

Example: On three day delivery -- Monday delivery, pick up order for Wednesday. Wednesday delivery, pick up order for Friday. Friday delivery, pick up order for Monday, etc.

On the five or six day delivery schedule, the order again must be completed and available in the cooler for the following day's delivery.

Please follow instructions in order that we may have no inconvenience or unnecessary expense by orders not being available as outlined above.

In all cases, order changes will not be accepted since they can be adjusted on the following day's order.

We recommend you try, whenever possible, to order merchandise in even cases. This may not be possible in smaller volume stores.

As always in the use of your order form, you must take into consideration your meat feature, the week-end pay days, 15th and 1st of the month, holidays, individual store promotions on dairy features, and consult your past order forms and inventories.

All products are under a "no return" basis and the only exception will be for defects. Please use care.

Codes

- (a) Products are clearly coded on the gable of the milk items and on the bottom of all bucket products.
- (b) All products are coded with an expiration date.
- (c) Code date expiration shall be explained to you at future meetings.
- (d) Please check code dates daily and rotate. There will be no services offered in regard to rotation and checking by the supplier. Do not make the customer unhappy by having old products in the case due to lack of attention to this operation.

For those stores who are presently on a three day drop delivery method, this should be nothing new for you. It might be well, however, to again review all of the procedures in the ordering and handling of dairy products.

We sincerely believe that this new milk program is another stride forward for our company and you will be able to achieve your ultimate sales goals and expectations.

Schedule No. 2 - Part 1
(Zone No. 3)

FORMULA PRICE FOR RAW MILK

Per Hundred Pounds

Producer Price 3.5% B.F.

\$4.0000

Market Administrator's Fee

.0200

Shrinkage

.0043

Procurement, Bulk Tank Premium,
Association Fees, etc.

.2500

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant

\$4.2743

To 3.4% B.F. Finished Product

.0700

Cost of 3.4% Finished Product

\$4.2043

MILK COSTS BY ITEMS

Quarts 2.15 pounds X \$4.2043 per cwt.

= \$.0904

Half Gallons 4.30 pounds X 4.2043 per cwt.

= .1808

Gallons 8.60 pounds X 4.2043 per cwt.

= .3616

Schedule No. 3 - Part 1.
(Zone No. 4)

FORMULA PRICE FOR RAW MILK

Per Hundred Pounds

Producer Price 3.5% B.F.

\$3.7800

Market Administrator's Fee

.0200

Shrinkage

.0041

Procurement, Bulk Tank Premiums,
Association Fees, etc.

.2500

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant

\$4.0541

To 3.4% B.F. Finished Product

.0700

Cost of 3.4% Finished Product

\$3.9841

MILK COSTS BY ITEMS

Quarts 2.15 pounds x \$3.9841 per cwt.

\$.0857

Half Gallons 4.30 pounds x 3.9841 per cwt.

.1713

Gallons 8.60 pounds x 3.9841 per cwt.

.3426

Schedule No. 4 - Part 1
(Zone No. 5)

FORMULA PRICE FOR RAW MILK

Per Hundred Pounds

Producer Price 3.5% B.F.

\$ 3.8800

Market Administrator's Fee

.0200

Milk Foundation and City Health
Inspection Fee

.0200

Waste

.0040

Premiums

.1000

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant

\$ 4.0240

To 3.4% B.F. Finished Product

.0720

Cost of 3.4% Finished Product

\$ 3.9520

MILK COSTS BY ITEMS

Quar's 2.15 pounds X \$3.9520

= \$.0850

Half Gallons 4.30 pounds X 3.9520

= .1699

Gallons 8.60 pounds X 3.9520

= .3398

Schedule #1

FORMULA PRICE FOR RAW MILK

Per Hundred Pounds

Producer Price - 3.5% B.F.

\$ 4.2900

Market Administrator's Fee

.0200

Shrinkage 1%

.0045

Procurement, Bulk Tank Premiums

Association Fees, Inner Zone Premiums, etc.

.2500

Total Cost of 3.5% Raw Milk

\$ 4.5645

F.O.B. Our Plant

To 3.4% B.F. Finished Product

.0740

Cost of 3.4% Finished Product

\$ 4.4905

MILK COST BY ITEMS

Quart 2.15 pounds x \$4.4905 per cwt. = \$.0966

Half Gallon 4.30 pounds x \$4.4905 per cwt. = .1931

Gallon 8.60 pounds x \$4.4905 per cwt. = .3862

Schedule No. 1 - Part 1
(Zone No. 2)

FORMULA PRICE FOR RAW MILK

Per Hundred Pounds

Producer Price 3.5% B.F. . \$4.3200

Market Administrator's Fee .0200

Shrinkage .0045

Procurement, Bulk Tank Premiums,
Association Fees, etc. .2500

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant \$4.5945

To 3.4% B.F. Finished Product .0700

Cost of 3.4% Finished Product \$4.5245

MILK COST BY ITEMS

Quarts 2.15 pounds X \$4.5245 per cwt. = \$.0973

Half Gallons 4.30 pounds X 4.5245 per cwt. = .1946

Gallons 8.60 pounds X 4.5245 per cwt. = .3891

Schedule No. 2 - Part 1
(Zone No. 3)

FORMULA PRICE FOR RAW MILK

	<u>Per Hundred Pounds</u>
Producer Price 3.5% B.F.	\$4.0000
Market Administrator's Fee	.0200
Shrinkage	.0043
Procurement, Bulk Tank Premium, Association Fees, etc.	<u>.2500</u>
Total Cost of 3.5% Raw Milk	
F.O.B. Our Plant	\$4.2743
To 3.4% B.F. Finished Product	<u>.0700</u>
<u>Cost of 3.4% Finished Product</u>	<u>\$4.2043</u>

MILK COSTS BY ITEMS

Quarts 2.15 pounds X \$4.2043 per cwt.	\$.0904
Half Gallons 4.30 pounds X 4.2043 per cwt.	.1808
Gallons 8.60 pounds X 4.2043 per cwt.	.3616

Schedule No. 3 - Part 1.
(Zone No. 4)

FORMULA PRICE FOR RAW MILK

Per Hundred Pounds

Producer Price 3.5% B.F.

\$3.7800

Market Administrator's Fee

.0200

Shrinkage

.0041

Procurement, Bulk Tank Premiums,
Association Fees, etc.

.2500

Total Cost of 3.5% Raw Milk

F.O.B. Our Plant

\$4.0541

To 3.4% B.F. Finished Product

.0700

Cost of 3.4% Finished Product

\$3.9841

MILK COSTS BY ITEMS

Quarts 2,15 pounds x \$3.9841 per cwt.

= \$.0857

Half Gallons 4.30 pounds x 3.9841 per cwt.

= .1713

Gallons 8.60 pounds x 3.9841 per cwt.

= .3426

765a

Schedule No. 4 - Part 1
(Zone No. 5)

FORMULA PRICE FOR RAW MILK

	<u>Per Hundred Pounds</u>
Producer Price 3.5% B.F.	\$ 3.8800
Market Administrator's Fee	.0200
Milk Foundation and City Health Inspection Fee	.0200
Waste	.0040
Premiums	.1000
Total Cost of 3.5% Raw Milk	
F.O.B. Our Plant	\$ 4.0240
To 3.4% B.F. Finished Product	<u>.0720</u>
Cost of 3.4% Finished Product	\$ <u>3.9520</u>

MILK COSTS BY ITEMS

Qua. 2.15 pounds X \$3.9520	= \$.0850
Half Gallons 4.30 pounds x 3.9520	= .1699
Gallons 8.60 pounds X 3.9520	= .3398

Handwritten notes and signatures:
 1-1-12
 [Signature]
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